

MINUTES

JOINT FISCAL COMMITTEE Meeting of November 13, 1997

Vice Chair Spaulding, as Acting Chair, called the meeting of the Joint Fiscal Committee to order at 10:00 a.m. in the Legislative Lounge, State House.

Also present: Senators Ide, Ready and Rivers
Representatives Aswad, Fox, Freidin, Steele, and Valsangiacomo

WELCOME OF NEW MEMBERS:

1. Senator Spaulding welcomed Representative Fox, recently appointed Chair of the House Appropriations Committee by the Speaker of the House.

APPROVAL OF MINUTES:

2. The Committee adopted a motion by Representative Steele to approve the minutes of the September 11 meeting, as submitted.

GRANTS AND OTHER DEPARTMENTAL REQUESTS:

3. Committee action was sought on six departmental requests, as follows:

(a) **Items mailed to members on October 27 in accordance with normal between-meeting procedures:**

(1) **Department of Environmental Conservation (JFO #1781):** \$21,125 grant from the U. S. Environmental Protection Agency to support state efforts to improve the quality, completeness and usefulness of the location coordinates of Vermont's regulated facilities and sources of hazardous contamination;

(2) **Governor's Commission on Women (JFO #1782):** From U. S. Department of Health and Human Services, Health Resources and Services Administration, Office of Rural Health Policy, a \$97,074 grant. The funds will be used for the Women's Health

and Managed Care Education Initiative," a comprehensive educational program to educate health care consumers, with an emphasis on women, about managed care; and

(3) Department of Fish and Wildlife (JFO #1784): \$1,250 from the National Wild Turkey Federation, to allow a Department employee to attend the National Wild Turkey Conference in Indiana in February 1998.

On a motion from Senator Ide, the Committee approved items JFO #1781 and #1784.

Because Representative Steele had some questions about the Governor's Commission on Women initiative, action on that item was deferred temporarily until the arrival at the meeting of Judith Sutphen, Executive Director of the Governor's Commission on Women. Responding to Representative Steele, she described the support which the project has from other agencies and the process by which it will attempt to discover barriers to health care which low-income women in rural areas may have encountered, and specifically to learn about their experiences with managed care. Representative Steele encouraged Ms. Sutphen to be diligent about informing the legislative health and welfare committees about the issues which emerge from the focus groups and other forums used to accomplish the project's goals.

Senator Rivers moved approval of the grant request from the Commission, JFO #1782. The motion passed.

(b) Additional grant acceptance requests: There were three additional departmental requests for Committee approval, of which the first two listed below (JFO #1785 and JFO #1786) were mailed to the members on November 4. Because the third item (JFO #1787) was not submitted to the Joint Fiscal Office until November 12, it was not distributed in advance; nevertheless, the Committee decided to consider it at this meeting

(1) Health Department, Office of Alcohol and Drug Abuse Programs (JFO #1785): From the U. S. Department of Health and Human Services, Public Health Service (HHS/PHS), Substance Abuse and Mental Health Services Administration, \$2,124,357 during fiscal year 1998 to support substance abuse prevention.

Background information submitted in support of the request included details on the goals of the incentive program which, through an advisory council, will develop and establish a research-based comprehensive and coordinated substance abuse prevention strategy for the state. The total State Incentive grant, which requires no state or local match, will be \$8,497,428 over a three-year period, with the two subsequent years' funding to be included in the legislative appropriations process. Most of the funds will be disbursed as grants to community-based organizations.

The Health Department sought the establishment of four limited service positions in connection with this grant: one substance abuse specialist, one senior research and statistics analyst, one administrative assistant B, and one administrative assistant A.

Thomas Perras, Director of the state's Office of Alcohol and Drug Abuse Programs (OADAP), gave an oral summary of the goals of the grant and answered questions about the program. Representative Valsangiacomo was particularly interested in directly reaching those parents who appear to be uninvolved in their children's lives, and he advocated house calls to such families. Senator Ready and Mr. Perras pointed out that many parents already are reached directly through various Agency of Human Services and community programs and activities such as Department of Social and Rehabilitation Services case workers and local parent-child centers. Representative Valsangiacomo suggested it would be helpful for legislators in making an eventual determination of the effectiveness of this initiative if they can be informed as to who is making the calls in their respective districts.

There were a number of questions about the positions requested. Personnel Commissioner Eileen Boland confirmed that these will be limited service positions with their own funding source. As the positions requested are being created, they will not exacerbate the problems facing state departments due to the "transfer and convert" language contained in legislation governing the establishment of new positions.

On a motion from Representative Steele, the Committee approved OADAP's acceptance of the \$2,124,357 grant in FY 1998 and authorized the establishment of the four limited service positions requested.

(2) Department of Developmental and Mental Health Services (JFO #1786): \$561,637 in FY 1998 from HHS/PHS, Substance Abuse and Mental Health Services Administration, representing first-year funding for a five-year project targeted at families with children under the age of six who are at risk of experiencing severe emotional disturbances. The project is intended to enhance and expand the system of care for these very young children and their families by ensuring access to behavioral health and other community-based services. Future years' funds will be included in budget requests. Required State match for the first year of the project already is included in the department's FY 1998 budget.

Commissioner Rodney Copeland told the Committee that a total of \$5,700,000 (not the \$6,941,028 erroneously reflected in some of the paperwork distributed to the Committee) in federal monies has been committed over a five year period. Mr. Copeland, recapping the executive summary accompanying the grant acceptance request, talked about the outstanding opportunity which these funds provide to Vermont to address the needs of its most troubled youngest children. Then, after describing the program and the role of the state's Community Partnerships, the Commissioner responded to Committee members' questions. He told them that no positions are being requested, although contractual services will be utilized to implement the program.

The Committee adopted a motion by Representative Aswad to approve the request.

(3) Health Department (JFO #1787): From HHS/PHS, Centers for Disease Control and Prevention, a five-year grant that will provide funding at an annualized amount of \$180,976 to the state. The Committee was asked to approve the acceptance of FY 1998 funds, with the amounts for future years to be reflected in the department's budget submissions.

The grant will enable the state to improve the effectiveness of its public health surveillance system by providing resources to build epidemiology and laboratory infrastructure through a pilot project focused on rural enteric disease testing in three counties and the development of a rapid electronic reporting project. Objectives of the program, which will focus on emerging infections, were described in an abstract distributed to Committee members.

Notwithstanding the lack of opportunity to review this request prior to the meeting, the Committee agreed to hear testimony from the Health Department before deciding whether or not to take action. Initial testimony summarizing the grant project was offered by Dr. Peter Galbraith, State Epidemiologist. Allan Ploof, Health Department Management Executive, responded to certain questions, as did Kevin O'Connell, Finance and Management Department budget analyst, and Eileen Boland, Personnel Commissioner. Dr. Jan Carney, Commissioner of Health, arrived later in the meeting and provided additional testimony and strongly advocated action at this meeting.

The Committee deliberated at length over the request, with most of the questions and concerns focusing on procedural and policy issues.

The amount of time that elapsed from the date of the Commissioner's signed approval until Governor Dean's approval, resulting in late submission of the item to the Joint Fiscal Office, was an issue for Senator Ide. Kevin O'Connell from the Department of Finance and Management explained to the Committee that there were questions about the application of limited service positions in connection with this grant; that the Department of Personnel currently is revising policies affecting such positions; and that this grant request was held by the Administration pending direction on that process. Committee members observed that a request for positions was not included in the written submission on the grant.

Later in the meeting Senator Ide reiterated his frustration over the Administration's failure to act on the Health Department's request in a timely way. He said he thinks it is important that the Administration be made aware of the fact that timely processing would have permitted earlier authorization to accept the funds (through the Committee's thirty-day approval process) and that implementation of the project would be under way already.

When the discussion returned to the subject of positions, Senator Ready expressed dissatisfaction with the State's trend towards using limited service rather than classified permanent positions. She characterized this practice as dishonest to the public. She also took

issue with the State's use of contractual services such as those which Dr. Carney envisioned for the grant project under discussion. An underlying concern reiterated by Senator Ready throughout the discussion was that the people employed for contractual work or limited-duration jobs are paid relatively low wages, possibly without either benefits or training. Senator Rivers voiced similar concerns about the trend toward contracting out services and indicated that she intended to withhold her support of this request on that basis.

Following a noontime recess, Commissioner Boland returned to the meeting and described the possibilities discussed with the Health Department on how to provide the staffing necessary to implement the grant project. She also referred to the fact that the Administration currently is discussing with departments how state government positions are defined and classified, with the goal of providing managers more flexibility in managing the work force. She distributed a brief written summary of definitions of position categories.

After hearing the members' concerns, Commissioner Carney proposed filling vacant positions to the extent possible, rather than the alternative of using contractual services for the project. She strongly urged the Committee to approve this request and explained the importance of starting the work soon.

The subject of confidentiality of patient medical records was brought up by Senator Rivers, observing that rapid electronic reporting of diseases is a key element of this grant. In response to her inquiries, Dr. Galbraith said that Health Department staff also regard confidentiality of patient information as a critical issue, and he assured the Senator that there will be safeguards to protect privacy. Later, Commissioner Carney addressed this subject. She told the Committee that even when contractual services are utilized, the Health Department, as contracting agency, is responsible for the product; that the contractor would have to be trained and have to understand the requirements for confidentiality; and that the kind of information that will be reported through this project has the highest kind of protection.

The Committee considered several possible courses of action on this item but ultimately adopted a motion from Senator Spaulding to authorize the Health Department to accept the grant funds for fiscal year 1998.

POSITION INFORMATION REQUEST:

4. Senator Ready then moved that the Committee request that the January 15, 1998 report which the Personnel Commissioner is required to submit to the General Assembly include the following: an evaluation of the State's cap on new positions; a discussion of the current use of limited service, temporary and contractual employees in state government, with emphasis on the extent to which contractual services are being used; and the types of functions which have been performed through contractual employees during the past year.

ELECTION OF CHAIR:

5. Prior to the noontime recess, the Committee by unanimous voice vote adopted a motion from Representative Valsangiacomo to elect Representative Fox as its new Chair, effective immediately. She presided over the remainder of the meeting.

REVENUE UPDATE:

6. Joint Fiscal Committee economic and revenue consultant Thomas Kavet distributed a document he prepared for this meeting, entitled "November 1997 Economic and Revenue Commentary." His oral presentation consisted primarily of a recap of information contained in that report, which included sections on the national economy, Vermont's economy, and state revenues. Mr. Kavet depicted the U. S. economy as positive, telling the Committee that the kind of economic growth the country has been experiencing, with continued low inflation, is unprecedented. Vermont economic indicators also are positive.

When he was talking about nonresidential construction, Mr. Kavet was asked if he has geographic breakdowns of data. He said it is available but costs money because it comes from a private data source. Senator Rivers expressed interest in discussing with Mr. Kavet at another time the cost of obtaining this information, which she suggested might be helpful to some of the standing committees of the General Assembly.

In response to Representative Freidin's question as to whether there has been a change in the distribution of personal income growth in Vermont, Mr. Kavet said he could obtain some data. He added that anecdotal evidence suggests that there is a tendency toward a widening disparity of income distribution. Representative Freidin thought it would be valuable for the legislative revenue and appropriations committees to have a sense of how the increased personal income in the state is being distributed by income classes, that it might affect some of the issues the General Assembly will be considering during the forthcoming session. With the assent of other members, he asked Mr. Kavet to provide this data in January.

On the subject of state revenues, Mr. Kavet told the Committee that in almost every category General Fund receipts have been at or above projections. He referred to a computer scanning problem in the Tax Department that under-reported October revenue, and advised that after adjustments for that discrepancy, total General Fund revenues for the first third of the fiscal year were approximately two and a half percent above expectations. Senator Ide asked about the scanning problem, including what corrective steps have been taken and the likelihood of their success. In reply to the Senator, William Petterson cited the Tax Department's conversion to a new revenue accounting system, the first step of which was to implement the scanning section. The core revenue accounting system has not been changed yet, and he explained why some delays probably will occur through next September.

During brief discussion of the scanning situation, which resulted in the loss of four to five processing days toward the end of October and is expected to have a similar effect on the January 1998 report on December 1997 revenues, Committee members expressed concern about the ramifications of delayed reporting for the General Assembly's decision-making ability. Representative Freidin asked if the administration could issue a second, updated report of revenues for the full month of December a week or ten days after the customary early January release date. Others agreed on the importance of providing timely revenue information to the appropriate legislative committees. The Chief Fiscal Officer pointed out that the Emergency Board will meet in mid-January to establish a consensus revenue estimate for the year, and he anticipated that the additional days of December revenues, with estimated allocations by receipt category, would be reported to the Board at that time.

Mr. Kavet also commented on the Transportation Fund, reporting that it has performed well in all categories and is several million dollars above the target level through the first four months of the fiscal year.

There were questions about collections in various funds as compared with projections, and members were interested in receiving a breakout of the performance of all the various State funds (e.g., the General Fund, Transportation Fund, the educational fund established under Act 60, and the health access fund), by revenue source, compared with targets. Because of time constraints, Mr. Klein proposed providing that information at a later date.

Before the discussion concluded, Mr. Petterson reminded the members that in comparing October General Fund revenues with those of the same period last year, it is important to remember that October 1996 figures included an \$11 million estate tax payment from a single source.

In the course of presenting revenue information, Mr. Kavet brought the Committee up to date on prior discussions about access to confidential tax data. He assured the members that a legal agreement currently being developed will give him the same access to this data as the administration's economic consultant has.

WINDSOR SCHOOL CLEANUP:

7. Kevin O'Connell from the Department of Finance and Management provided an update on expenditures in connection with the cleanup of contamination on the Windsor school property. Of the \$650,000 limit from the Environmental Contingency fund which the Committee authorized in September, an estimated \$544,523 is being spent. He described the progress of the work to date and distributed a spread sheet reflecting original cost estimates; payments to date and expected or known outstanding costs; and expected total payments for this work from the Environmental Contingency Fund, the Windsor School Cleanup Fund; and the Department of Corrections. Nearly \$1.4 million is the estimated total from all funding sources.

Senator Rivers was concerned about the costs of the cleanup project to the Windsor School District. She had a letter from the Chair of its board describing additional testing ordered by the Agency of Natural Resources outside the construction site. In addition, the Windsor School District has spent over \$500,000 as its share of cleanup costs. She wondered whether the State will reimburse the school board for its costs and expressed disappointment that no Administration official was present who could speak to such questions as reimbursement and the State's plans with respect to the recent developments and additional testing costs.

Mr. O'Connell indicated that the results of the additional testing are inconclusive at this point and that any specific problems which might surface will have to be resolved. He also offered to have the Deputy Secretary John Kassel or another Agency staff member contact the Senator.

JULY 1997 FLOOD - REPORT ON AGRICULTURAL DAMAGE:

8. Kenneth Becker, Deputy Commissioner of Agriculture, presented and summarized a written report on the subject of agricultural damage as a result of severe floods during July in northern July 1997 flooding in several northern and central counties of Vermont.

Also representing the administration was Thomas Torti, Commissioner of State Buildings and General Services. Mr. Torti's had to leave the meeting earlier, but he participated via speaker telephone in the discussion on flood damage.

The Agriculture Department report was a response to the Committee's September 13 action calling for the Agriculture Commissioner ". . .to present a plan. . .to deal with crop loss resulting from the flooding and to inform all farmers affected of the availability to them of emergency unemployment benefits." It included sections on steps taken by the department to assist farmers; U. S. Department of Agriculture (USDA) disaster programs; estimates of actual crop losses; Disaster Unemployment Assistance; and recommendations for action.

Among the information provided in response to the Committee's September directive was that USDA does not have a funded livestock feed program which could provide assistance to livestock producers with feed shortages as a result of the flood disaster. On the subject of emergency unemployment benefits, the deadline for application for benefits expired thirty days after the public notice was issued; no farmers submitted applications.

In the course of his presentation and the discussion which followed, Mr. Becker told the Committee that the two greatest pressures affecting farmers as a result of the July flood are livestock feed and stream bank protection. As described in his report, his department will work with the Administration in an effort to find \$100,000 for a livestock feed program. He also pledged that the department will work more closely with the USDA and Vermont's congressional delegation on funding for stabilization of stream banks along agricultural land.

Members questioned Mr. Becker in some detail about the information in the report. The questions and discussion focused on how and when the administration plans to address the farmers' emergency forage needs and to provide monetary relief for the crop losses. Commissioner Torti also was asked about possible ways of giving assistance without waiting until the General Assembly convenes and what the administration intends. There were suggestions of how relief might be granted on an emergency basis prior to the session, through Administration action such as transfers between appropriations. Mr. Torti told the Committee that transfers first would require the establishment of priorities among programs.

The fact that so much time has elapsed without either action by the Administration or at least a plan to provide monetary relief was an issue for many members as well as for Senator Kittell, who was permitted to address the members on this subject. Replying to some of these criticisms, the Deputy Agriculture Commissioner pointed out that the USDA Farm Service Agency did not complete its estimate of the value of actual crop losses until late October, after harvest.

The members agreed that it is imperative for the State to provide some financial relief to the farmers; and that lacking a plan by the Administration to do so at this point, it is incumbent upon this Committee to take some initiative. After deliberating over the scope and wording of possible action, including some input from Representative Perry, the Committee adopted the following consensus motion proposed by Senators Spaulding, Ready and Rivers:

The Joint Fiscal Committee asks the Administration to include in its FY 1998 budget adjustment request an adequate appropriation to cover the emergency forage needs and crop losses of farmers affected by the July 1997 flood.

ADMINISTRATION RESPONSE TO COMMITTEE'S SEPTEMBER 1997 ACTION ON FLOOD RELIEF:

9. Commissioner Torti also was asked what has transpired as a result of discussion and action at the Committee's September meeting with respect to the administration's plans and actions on flood relief and future disasters.

With respect to the recommendation that State funds immediately be made available to municipalities to match requirements of the U. S. Department of Agriculture for river and stream bank stabilization and clearance of debris, Mr. Torti affirmed that \$625,000 will be made available by the State to pay the full 25 percent local match requirements. He did not know whether a decision has been made on all the specific sources of the \$625,000. He described the process for providing the funds to the towns and promised to send the members copies of a memorandum from the Department of Housing and Community Affairs that lists the amounts allocated to municipalities thus far.

The Commissioner also said he knew of no change in the commitment of the Governor and the Secretary of Administration to submit to the General Assembly a proposal for addressing future disasters. Representative Freidin asked Mr. Torti to communicate to the Administration that the Joint Fiscal Committee expects such a proposal.

Several members voiced their frustration over the fact that there was no official present who could speak definitively on the Administration's plans.

JOINT FISCAL OFFICE STAFFING:

10. The Chief Fiscal Officer described the need for additional staff resources to meet the continually increasing demands of legislative committees and individual members. He distributed a memorandum setting forth a staffing plan which envisioned the creation of two limited service positions, a revenue analyst and an analyst to add more stability to the Senate Appropriations Committee position which previously has been filled on a temporary basis. A description of the purposes and rationale for each of the proposed positions was included. As discussed with the members individually in prior conversations, Mr. Klein pointed out that the fiscal implication of the requested action could be up to \$35,000 in the current fiscal year, which would have to be appropriated in the FY 1998 budgeted adjustment bill, and up to \$82,000 additional funds in fiscal 1999.

After several members voiced support for increased staff levels, the Committee approved the following proposal, on a motion from Representative Steele:

In accordance with budgetary intent in Joint Fiscal Office staffing, and under the authority granted in 2 VSA Chapter 15, Section 502(b), the Joint Fiscal Committee authorizes the creation of two limited service exempt position in the Joint Fiscal Office.

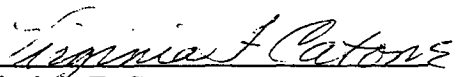
HOUSE ELECTRIC UTILITY REGULATORY REFORM COMMITTEE - REQUEST FOR ADDITIONAL SPENDING AUTHORIZATION:

11. Mr. Klein presented a request from Representative Cillo, Chair of the House Special Committee on electric regulatory reform, to spend an additional \$5,000 of the \$70,000 which the General Assembly authorized for the work of the Committee in Act 18 of the 1997 session. A memorandum from Representative Cillo advised that as of November 12 his special panel had spent \$31,245 of the \$35,000 authorized by the Joint Fiscal Committee under Act 18. The additional \$5,000 now requested would mean the special committee would be utilizing a total of \$40,000 of the \$70,000 legislatively authorized.

Representative Steele moved approval of the request. After brief discussion the motion was defeated on a vote of 3 in favor, 4 opposed.

The meeting was adjourned at 3:50 p.m.

Attest:


Virginia F. Catone
Virginia F. Catone



Mailing Address:
1 Baldwin Street
Drawer 33
Montpelier, Vermont 05633-5701

Tel.: (802) 828-2295
Fax: (802) 828-2483

STATE OF VERMONT
JOINT FISCAL COMMITTEE
1 Baldwin Street
Montpelier, Vermont 05633-5701

Nov 13, 1997

MEMORANDUM

To: Joint Fiscal Committee Members

From: Rebecca J. Buck *RB*

Date: November 4, 1997

Subject: Additional Grants for November 13 Meeting

Enclosed are two additional grants to be discussed at the November 13 meeting.



3.2(1)
Mailing Address:
1 Baldwin Street
Drawer 33
Montpelier, Vermont 05633-5701

Tel.: (802) 828-2295
Fax: (802) 828-2483

STATE OF VERMONT
JOINT FISCAL COMMITTEE
1 Baldwin Street
Montpelier, Vermont 05633-5701

MEMORANDUM

To: Joint Fiscal Committee Members

From: Maria Belliveau *MB*

Date: November 4, 1997

Subject: JFO #1785 -Grant From the U.S. Department of Health and Human Services to the Vermont Department of Health

The Department of Health, Office of Alcohol and Drug Abuse Programs, requests approval to accept a \$2,124,357 grant from the U.S. Department of Health and Human Services to support substance abuse prevention activities in fiscal year 1998. The grant is a three year State Incentive grant totaling \$8,497,428. There is no state or local match required. Subsequent years funding will be included in the appropriations bill.

The Department of Health is requesting the authority to establish four limited service positions to perform work associated with this grant. The grant funds will be used to develop a coordinated funding system for substance abuse prevention efforts; to develop and use a research based comprehensive prevention strategy for alcohol, tobacco, marijuana and other drug use; to include community based organizations in the development of effective and sustainable prevention programs; and to develop a statewide on-going survey instrument to be used to evaluate progress being made to curb drinking amongst the school based population. A Cooperative Agreement Advisory Council will be established to oversee the activities of the grant program. The council will be comprised of 28 key leaders in Vermont.

This Health Department grant was sent to the Joint Fiscal Office after the Office's deadline for mailing grants to Committee members for review. Due to tight time constraints there is not enough time for staff of the Joint Fiscal Office to do an in-depth analysis of the grant. There will be officials from the Administration at the Joint Fiscal Committee meeting to answer questions associated with this grant.

STATE OF VERMONT
GRANT ACCEPTANCE FORM

GRANT SUMMARY

DATE: October 29, 1997

DEPARTMENT: Agency of Human Services/Vermont Department of Health

GRANT/DONATION: State Incentive Cooperative Agreement

GRANTOR/DONOR: U.S. Department of Health and Human Services
Public Health Service
Substance Abuse and Mental Health Services Administration
Rockville, Maryland

AMOUNT/VALUE: \$2,124,357 federal funds in FY 1998
Grant runs for three years at an annualized amount of \$2,832,476 federal funds. Funds in FYs 1999 (2,832,476), 2000 (2,832,476) and 2001 (\$ 708,119) will be contained within the Department's appropriation request.

POSITIONS REQUESTED (LIMITED SERVICE):



4 limited service positions are requested:

- 1 substance abuse specialist
- 1 senior research and statistics analyst
- 1 administrative assistant B
- 1 administrative assistant A

NOV 3 1997

COMMENTS:

The State Incentive grant has been awarded for a three year period to support substance abuse prevention. The project will, through an advisory council, develop and establish a research-based comprehensive substance abuse prevention strategy for Vermont. A goal of the project is to coordinate existing funding sources for substance abuse prevention efforts and provide additional financial support for those activities through this grant.

Most of the funds will be committed as grants to community based organizations. Approximately 20 grants will be selectively awarded each year to develop and carry out research based sustainable prevention programs involving schools, parents, workplaces, Health care organizations and other community participants. Funds are also dedicated to project evaluation activities. There is no state or local match requirement.

DEPT. FINANCE AND MANAGEMENT:	(INITIAL)	ST
SECRETARY OF ADMINISTRATION:	(INITIAL)	KCA
SENT TO JOINT FISCAL OFFICE:	(DATE)	11/3/97

REQUEST FOR GRANT ACCEPTANCE
(use additional sheets as needed)

FORM 1
(Rev. 5)

1. Agency: Human Services
2. Department: Health
3. Program: Alcohol and Drug Abuse
4. Legal Title of Grant: State Incentive Cooperative Agreement
5. Federal Catalog No.: 93.194
6. Grantor and Office Address: Substance Abuse and Mental Health Services Administration
Rockville, Maryland

7. Grant Period: From: 9/30/97 To: 9/29/00

8. Purpose of Grant: (attach additional sheets if needed)

To optimize the use of State and Federal substance abuse prevention funds through development and coordination of a statewide, community-based substance abuse prevention strategy. (see attached summary)

9. Impact on Existing Programs if Grant is not Accepted:

none

10. Budget Information:	(1st State FY) <u>FY 19 98</u>	(2nd State FY) <u>FY 1999</u>	(3rd State FY) <u>FY XX 2000</u>
EXPENDITURES:			
Personal Services	\$ 285,000	\$ 380,000	\$ 380,000
Operating Expenses	\$ 15,000	\$ 20,000	\$ 20,000
Other	\$ 1,824,357	\$ 2,432,476	\$ 2,432,476
TOTAL	\$ 2,124,357	\$ 2,832,476	\$ 2,832,476
REVENUES:			
State Funds:			
Cash	\$	\$	\$
In-Kind	\$	\$	\$
Federal Funds:			
(Direct Costs)	\$ 2,045,078	\$ 2,726,771	\$ 2,726,771
(Statewide Indirect)	\$ 19,820	\$ 26,426	\$ 26,426
(Department Indirect)	\$ 59,459	\$ 79,279	\$ 79,279
Other Funds:			
(source) _____	\$	\$	\$
TOTAL	\$ 2,124,357	\$ 2,832,476	\$ 2,832,476

Grant will be allocated to these appropriation expenditure accounts:	<u>Appropriation Nos.</u>	<u>Amounts</u>
	010347150	\$2,079,357
	010347010	\$45,000

1. Will grant monies be spent by one or more personal service contracts?

YES NO

If YES, signature of appointing authority here indicates intent to follow current guidelines on bidding.

[Signature]

12a. Please list any requested Limited Service positions:

Titles	Number of Positions
Substance Abuse Program Specialist Senior Research and Statistics Analyst	1
Administrative Assistant A	1
Administrative Assistant B	1
TOTAL	4

12b. Equipment and space for these positions:

Is presently available.
 Can be obtained with available funds.

13. Signature of Appointing Authority

I certify that no funds have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant.

[Signature] 10/16/97
(Signature) (Date)
Commissioner, Department of Health
(Title)

14. Action by Governor:

Approved
 Rejected

[Signature] 11/3/97
(Signature) (Date)

15. Secretary of Administration:

Request to JFO
 Information to JFO

(Signature) (Date)

16. Action by Joint Fiscal Committee:

Request to be placed on JFC agenda
 Approved (not placed on agenda in 30 days)
 Approved by JFC
 Rejected by JFC
 Approved by Legislature

(Signature) (Date)

1. DATE ISSUED (Mo./Day/Yr.) 09/23/97 2. CFDA NO. 93.194

3. SUPERSEDES AWARD NOTICE dated / / except that any additions or restrictions previously imposed remain in effect unless specifically rescinded.

4. GRANT NO. 1 U1F SP08098-01 5. ADMINISTRATIVE CODES SP-U1F / SIG
Formerly:

6. PROJECT PERIOD Mo./Day / Yr. Mo./Day / Yr.
From 09/30/97 Through 09/29/00

7. BUDGET PERIOD Mo./Day / Yr. Mo./Day / Yr.
From 09/30/97 Through 09/29/98

DEPARTMENT OF HEALTH AND HUMAN SERVICES
PUBLIC HEALTH SERVICE
SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

NOTICE OF GRANT AWARD
AUTHORIZATION (Legislation/Regulation)

SECTION 517(D)(5) AND 516
AMENDED BY P.L. 102-321
AWARDED BY CSAP

VERMONT STATE INCENTIVE PROJECT: ONE VISION, ONE CHOICE

9. GRANTEE NAME AND ADDRESS

a. STATE OF VERMONT

b. VERMONT DEPT OF HEALTH

c. 108 CHERRY ST, PO BOX 70

d. BURLINGTON VT 05402-0070

10. DIRECTOR OF PROJECT (PROGRAM DIRECTOR / PRINCIPAL INVESTIGATOR) (LAST NAME FIRST AND ADDRESS)

PERRAS, THOMAS E.
OFFICE ALCOHOL/DRUG ABUSE PROG
108 CHERRY ST, PO BOX 70
BURLINGTON, VT 05402-0070

11. APPROVED BUDGET (Excludes PHS Direct Assistance)

I PHS Grant Funds Only

II Total project costs including grant funds and all other financial participation (Select one and place NUMERAL in box.) I

a. Salaries and Wages	\$ 84,240
b. Fringe Benefits	\$ 22,745
c. Total Personnel Costs	\$ 106,985
d. Consultant Costs	0
e. Equipment	4,500
f. Supplies	7,000
g. Travel	10,300
h. Patient Care—Inpatient	0
i. —Outpatient	0
j. Alterations and Renovations	0
k. Other	0
l. Consortium/Contractual Costs	2,573,962
m. Trainee Related Expenses	0
n. Trainee Stipends	0
o. Trainee Tuition and Fees	0
p. Trainee Travel	0
q. TOTAL DIRECT COSTS	\$ 2,702,747
r. INDIRECT COSTS (Rate % of S&W/TADC)	\$ 154,000
s. TOTAL APPROVED BUDGET	\$ 2,832,476
t. SBIR Fee	\$
u. Federal Share	\$ 2,832,476
v. Non-Federal Share	\$

12. AWARD COMPUTATION FOR FINANCIAL ASSISTANCE

a. Amount of PHS Financial Assistance (from Item 11.u.)	\$ 2,832,476
b. Less Unobligated Balance From Prior Budget Periods	\$ 0
c. Less Cumulative Prior Awards(s) This Budget Period	\$ 0
d. AMOUNT OF FINANCIAL ASSISTANCE THIS ACTION	\$ 2,832,476

13. RECOMMENDED FUTURE SUPPORT (SUBJECT TO THE AVAILABILITY OF FUNDS AND SATISFACTORY PROGRESS OF THE PROJECT)

YEAR	TOTAL DIRECT COSTS / STIPENDS	YEAR	TOTAL DIRECT COSTS / STIPENDS
a. 02	2,870,183	d.	
b. 03	2,870,183	e.	
c.	N/A	f.	

14. APPROVED DIRECT ASSISTANCE BUDGET (IN LIEU OF CASH)

a. Amount of PHS Direct Assistance	\$
b. Less Unobligated Balance From Prior Budget Periods	\$
c. Less Cumulative Prior Awards(s) This Budget Period	\$
d. AMOUNT OF DIRECT ASSISTANCE THIS ACTION	\$ N/A

15. PROGRAM INCOME SUBJECT TO 45 CFR PART 74, SUBPART F, OR 45 CFR 92.25. SHALL BE USED IN ACCORD WITH ONE OF THE FOLLOWING ALTERNATIVES: (Select One and Place LETTER in box.)

a. DEDUCTION

b. ADDITIONAL COSTS

c. MATCHING B

d. OTHER RESEARCH (Add / Deduct Option)

e. OTHER (See REMARKS)

16. THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND AS APPROVED BY, THE PHS ON THE ABOVE TITLED PROJECT AND IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING:

a. The grant program legislation cited above. b. The grant program regulation cited above.

c. This award notice including terms and conditions, if any, noted below under REMARKS.

d. PHS Grants Policy Statement including addenda in effect as of the beginning date of the budget period.

e. 45 CFR Part 74 or 45 CFR Part 92 as applicable.

In the event there are conflicting or otherwise inconsistent policies applicable to the grant, the above order of precedence shall prevail. Acceptance of the grant terms and conditions is acknowledged by the grantee when funds are drawn or otherwise obtained from the grant payment system.

REMARKS: (Other Terms and Conditions Attached - Yes No)

Recommended Future Support (Line 13) Reflects Total Cost (Direct+Indirect)
SEE ATTACHED

GMS: REYES, WILLIAM I. (301)443-7375 PO: MARSHALL, JAYME (301)443-9438

PHS GRANTS MANAGEMENT OFFICER: (Signature) *PEGGY L. JONES* (Typed/Print) PEGGY L. JONES (Title) GRANTS MANAGEMENT OFFICER, OPS, SAMHSA

17. OBJ. CLASS. 41.45 18. CRS - EIN SP08700274A1 19. LIST NO.:

FY-CAN	DOCUMENT NO.	ADMINISTRATIVE CODE	AMT. ACTION FIN. ASST.	AMT. ACTION DIR. ASST.
20. a. 7C96P027	b. UFSP08098A	c.	d. 2812476	e.
21. a. 7C96R389	b. UFSP08098A	c.	d. 20000	e.
22. a.	b.	c.	d.	e.

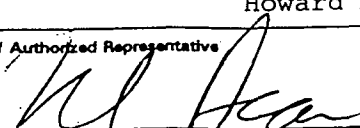
VT State Incentive Project

Revised Budget

STATE FY 1998

	Original request	Revised Budget change	new budget
Personnel			
Substance Abuse Program Specialist, PG 22			
Senior Research and Statistics Analyst, PG 21			
Administrative Assistant A, PG 17			
Administrative Assistant B, PG 19			
Subtotal	84,240	- 15,800	68,640
Fringe	22,745	- 4,212	18,533
Equipment	4,500	- 4,500	-
Supplies	7,000		7,000
Travel	10,300	- 2,200	8,100
Contractual			
22 grants (15 @ \$125,000+7 @ \$80,000)	2,435,000	- 75,000	2,380,000
Other contracts:			
evaluation	191,398	- 25,000	166,398
Governor's summit	16,000	- 11,000	5,000
Youth Leadership Conference	6,500		6,500
Nees Assessment Training	17,000		17,000
Evaluation training	11,000		11,000
Community Technical Assistance	19,000		19,000
Advisory meetings	13,000	- 3,900	9,100
Coalition steering committee mtgs	15,000	- 4,500	10,500
Media: dissemination of results	17,500	- 17,500	-
School programs		20,000	20,000
Subtotal, other contracts:	306,398		264,498
Total Contractual	2,741,398	- 136,900	2,624,498
Indirect Costs	129,729	- 24,024	105,705
TOTAL	2,999,912	- 187,436	2,832,476

APPLICATION FOR FEDERAL ASSISTANCE

1. TYPE OF SUBMISSION: <i>Application</i> <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction <i>Preapplication</i> <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		2. DATE SUBMITTED 5/9/97	Applicant Identifier																					
		3. DATE RECEIVED BY STATE	State Application Identifier																					
		4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier																					
5. APPLICANT INFORMATION																								
Legal Name: State of Vermont		Organizational Unit: Office of the Governor																						
Address (give city, county, state, and zip code): Office of Alcohol and Drug Abuse Programs Vermont Department of Health 108 Cherry Street, PO Box 70 Burlington, Vermont 05402-0070		Name and telephone number of the person to be contacted on matters involving this application (give area code): Thomas E. Perras (802) 651-1553 (voice); (802) 651-1573 (fax) tom@adap.adp.state.vt.us (e-mail)																						
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 03-6000274		7. TYPE OF APPLICANT: (enter appropriate letter in box) <input checked="" type="checkbox"/> A <table style="width:100%; font-size: small;"> <tr> <td>A. State</td> <td>H. Independent School Dist.</td> </tr> <tr> <td>B. County</td> <td>I. State Controlled Institution of Higher Learning</td> </tr> <tr> <td>C. Municipal</td> <td>J. Private University</td> </tr> <tr> <td>D. Township</td> <td>K. Indian Tribe</td> </tr> <tr> <td>E. Interstate</td> <td>L. Individual</td> </tr> <tr> <td>F. Intermunicipal</td> <td>M. Profit Organization</td> </tr> <tr> <td>G. Special District</td> <td>N. Other (Specify): _____</td> </tr> </table>		A. State	H. Independent School Dist.	B. County	I. State Controlled Institution of Higher Learning	C. Municipal	J. Private University	D. Township	K. Indian Tribe	E. Interstate	L. Individual	F. Intermunicipal	M. Profit Organization	G. Special District	N. Other (Specify): _____							
A. State	H. Independent School Dist.																							
B. County	I. State Controlled Institution of Higher Learning																							
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E. Interstate	L. Individual																							
F. Intermunicipal	M. Profit Organization																							
G. Special District	N. Other (Specify): _____																							
8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es): <input type="checkbox"/> A. Increase Award <input type="checkbox"/> B. Decrease Award <input type="checkbox"/> C. Increase Duration <input type="checkbox"/> D. Decrease Duration Other (specify) _____		9. NAME OF FEDERAL AGENCY: SAMHSA - CSAP																						
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 93-230 TITLE: SP 97-002 State Incentive Program		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Vermont State Incentive Project: One Vision, One Voice																						
12. AREAS AFFECTED BY PROJECT (cities, counties, states, etc.): Vermont																								
13. PROPOSED PROJECT: Start Date: _____ Ending Date: _____		14. CONGRESSIONAL DISTRICTS OF: a. Applicant: Vermont b. Project: Vermont																						
15. ESTIMATED FUNDING: <table border="1" style="width:100%; border-collapse: collapse; font-size: small;"> <tr> <td>a. Federal</td> <td>\$ 2,870,183</td> <td>.00</td> </tr> <tr> <td>b. Applicant</td> <td>\$</td> <td>.00</td> </tr> <tr> <td>c. State</td> <td>\$ 634,394</td> <td>.00</td> </tr> <tr> <td>d. Local</td> <td>\$</td> <td>.00</td> </tr> <tr> <td>e. Other</td> <td>\$ 455,819</td> <td>.00</td> </tr> <tr> <td>f. Program Income</td> <td>\$</td> <td>.00</td> </tr> <tr> <td>g. TOTAL</td> <td>\$ 3,960,396</td> <td>.00</td> </tr> </table>		a. Federal	\$ 2,870,183	.00	b. Applicant	\$.00	c. State	\$ 634,394	.00	d. Local	\$.00	e. Other	\$ 455,819	.00	f. Program Income	\$.00	g. TOTAL	\$ 3,960,396	.00	16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS? a. YES, THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON: DATE _____ b. NO <input type="checkbox"/> PROGRAM IS NOT COVERED BY E.O. 12372 <input checked="" type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED STATE FOR REVIEW	
a. Federal	\$ 2,870,183	.00																						
b. Applicant	\$.00																						
c. State	\$ 634,394	.00																						
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e. Other	\$ 455,819	.00																						
f. Program Income	\$.00																						
g. TOTAL	\$ 3,960,396	.00																						
		17. IS APPLICATION DELINQUENT ON ANY FEDERAL DEBT? <input type="checkbox"/> YES If "Yes," attach an explanation. <input checked="" type="checkbox"/> No																						
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT, THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED																								
a. Typed Name of Authorized Representative Howard B. Dean, MD		b. Title Governor	c. Telephone number (802) 828-3333																					
d. Signature of Authorized Representative 		e. Date Signed 5/9/97																						

State Incentive Cooperative Agreement Abstract

Governor Howard Dean, MD, in his State of the State message reviewed the increase in the use of alcohol, marijuana, tobacco and other drugs. To address this issue, Vermont proposes a "One Vision, One Voice" State Incentive Program. Governor Dean has assigned responsibility for the Vermont's "One Vision, One Voice" SIP to the Vermont Department of Health (VDH).

Prevention is on the state agenda, as reflected by extensive data collection, state plans for primary prevention, health (*Healthy Vermonters 2000*), and alcohol and other drug prevention. At Governor Dean's request, Vermont is now engaged in a study of the effectiveness of school-based prevention programs. VDH is in the process of developing an alcohol and drug abuse statewide coalition.

For ninth to 12th grade students, Vermont has a higher level of use than the national norm for alcohol (56.5% in Vermont, 51.6% nationally), marijuana (32.2% vs. 25.3%) and cigarettes (40% vs. 34.8%). Use rates for marijuana are 27% higher in Vermont than nationally. The onset of ATOD use occurs at an increasingly early age according to the Youth Risk Behavior Survey.

The greatest weakness in Vermont's approach to prevention, to date, are: school-based efforts have not been highly accountable for outcomes; local prevention programs are piecemeal efforts and fragmented, with little required coordination between school and community efforts; and too many communities and schools have used intuitive-based or theory-based programs which have not worked. At the same time, Vermont has several promising programs operating.

The proposed State Incentive Program proposes the following goals: 1) to develop a coordinated funding system for substance abuse prevention efforts; 2) to develop and use a research-based comprehensive prevention strategy for alcohol, tobacco, marijuana and other drug use; 3) Community-based organizations or agencies will involve key community stakeholders in research-based, effective and sustainable prevention programs; 4) Youth, parents and communities in Vermont will demonstrate a reduction in indicators of ATOD use as indicated by on-going state surveys and specific evaluation processes.

The Cooperative Agreement Advisory Council will be comprised of 28 key leaders in Vermont. Governor Dean has asked VDH Commissioner Jan Carney, MD, MPH, to chair the Council on his behalf. Tasha Wallis of the Governor's Office will be assigned as his staff liaison. The Advisory Council will establish the overall direction for the project, and work with the emerging AOD coalition.

The State Incentive fits logically into the Office of Alcohol and Drug Abuse Programs as this is the direction in which ADAP has been moving. ADAP will carry major responsibility for the project, along with VDH's Office of Health Promotion.

Not only does the Vermont have an existing network of regional prevention specialists but it also has a model monitoring system that can serve as a model for states funded in the future. Due to YRBS, community-level social data, and *Healthy Vermonters 2000* indicators, Vermont presents a particularly strong potential for evaluation information.

Table of Contents

SF-424.....	1
Abstract.....	2
Table of Contents.....	3
SF-424A.....	4
Narrative	
A. Background.....	6
B. Goals and Objectives.....	14
C. Project Implementation Plan.....	16
1. Phasing Plan.....	16
2. Project Management and Staff.....	28
3. Evaluation Plan.....	32
D. Literature Citations.....	41
E. Budget Justification/Existing Resources/Other Resources.....	43
F. Biographical Sketches/Job Descriptions.....	66
G. Confidentiality/SAMHSA Participant Protection.....	111
Appendix	
1. Milestone Chart.....	113
2. Letters of Coordination/Support.....	115
3. Data Collection Instruments/Interview Protocols.....	146
4. Sample Consent Forms.....	278
Assurances.....	295
Certifications.....	297
Checklist.....	299

A. Background

1. State Readiness

“We are failing in our efforts to prevent teen drug abuse. Our young people continue to abuse drugs, both legal and illegal, at an alarming rate.” Governor Howard Dean, MD

Governor Dean, in his State of the State message, January 9, 1997, reviewed the alarming increase in the use of alcohol, marijuana, tobacco and other drugs. “We cannot pretend that we are dedicated to improving the lives of our children if we cannot convince them that abuse of cigarettes, alcohol and other drugs will destroy the quality of their lives.” Governor Dean added, “First, and most importantly, as adults, we have no hope of changing our children’s behavior unless we set personal examples. Children learn far more from what we do than from what we say.”

To address this issue, Vermont proposes a “One Vision, One Voice” State Incentive Program. By having one statewide alcohol, tobacco, marijuana and other drug use and abuse prevention vision, and unifying the messages and activities to reflect one voice, the state will make progress on ATOD use and abuse. The priority given to the State Incentive Cooperative Agreement is reflected in Governor Dean’s letter of support and commitment, with commitments by three key administration figures, the Secretary of the Agency of Human Services, Department of Health and Department of Education (see Appendix, p. 116).

Governor Dean has assigned responsibility for Vermont’s “One Vision, One Voice” SIP to the Vermont Department of Health (VDH), which will utilize the capabilities of three divisions: the Office of Alcohol and Drug Abuse Programs (ADAP), Health Promotion, Community Public Health and Health Surveillance. VDH will provide much of the infrastructure to support the SIP. ADAP, the Single State Authority (SSA), will play the key role, with CSAP, in coordinating the project.

Substance abuse is a significant issue in Vermont. According to Agency of Human Services (AHS) Secretary Cornelius Hogan, “Alcohol touches just about every case load we’re dealing with.” ATOD use is connected with health costs, use of the primary care system, child abuse, domestic violence, child support and welfare.

Governor Dean’s remarks, and The State of Vermont’s past success in other prevention initiatives, are indicators of the state’s readiness to undertake a major redirection of alcohol, tobacco, marijuana and other drug prevention efforts, and accompanying reallocation of resources. In particular, Vermont’s achievements in issues relating to children under the age of six indicates the capability of state government and its communities to carry out sustained and successful prevention initiatives with measurable outcomes.

Prevention Is A State Value

On a per capita basis, Vermont dedicates 20% more than the national average to prevention and early intervention. Figures from 1993 to 1996 indicate that the national average for prevention and early intervention in human service and education is 38 cents, while in Vermont it is 49 cents.

Prevention is on the agenda of every state agency in Vermont:

- The state has already invested heavily in evaluation systems to track social and educational indicators, such as the Youth Risk Behavior Survey, community social indicator profiles, and a major household survey. This capacity will help ensure CSAP a successful program that can track its outcomes early on.
- VDH's plan of action, *Healthy Vermonters 2000* directs the department's activities toward a range of major health issues, including alcohol, tobacco, marijuana and other drug use.
- On an annual basis, the Office of Alcohol and Drug Abuse Programs also develops a plan which explores the specific ATOD needs in Vermont and how best to address individual, family, workplace and community risk and protective factors. ADAP has been placing priority on outcome-focused activities.
- By law, the Children and Families Council is mandated to develop a primary prevention plan. This plan reflects a high level of coordination among state agencies, ensuring the potential of a Comprehensive Prevention Strategy.
- Acting on concerns expressed in his "State of the State" address, Governor Dean in January, appointed a study team to examine the effectiveness of school-based prevention. This report is likely to lead to changes in how school-based programs operate in the state, allowing for strong integration with this project.

2. Current ATOD Use and Abuse Trends

Alcohol, tobacco, marijuana and other drug use and abuse in Vermont exceed national norms in several key areas, and the historical trends, as recorded by statewide data from the 1995 Youth Risk Behavior Survey, reflect a negative trend.

Alcohol use	Consumed at least one drink in past 30 days: From 1993 to 1995	--increased from 48% to 53% for all surveyed students; --increased from 29% to 40% for grade eight.
	From 1989 to 1995	--decreased from 76% to 63% for grade 12 students; --increased from 29% to 40% for grade eight students.
Marijuana use	Smoked marijuana one or more times in past 30 days: From 1993 to 1995	--increased from 16% to 29% for all students; --increased from 6% to 16% (a jump of 150%) for grade eight students.
	From 1985 to 1995	--increased from 29% to 35% for grade 12 students; --increased from 5% to 16% for grade eight students.
Tobacco use	Smoked cigarettes on one or more days in past 30 days: From 1993 to 1995	--increased from 31% to 38% for all students; --increased from 20% to 29% for grade eight students.
	From 1985 to 1995	--increased from 35% to 45% for grade 12 students; --increased from 17% to 29% for grade eight students.

For ninth to 12th grade students, Vermont has a higher level of use than the national norm for alcohol (56.5% in Vermont, 51.6% nationally), marijuana (32.2% vs. 25.3%) and cigarettes (40% vs. 34.8%). Use rates for marijuana are 27% higher in Vermont than nationally.

Early Onset Grows

While the use of alcohol, marijuana and tobacco have increased for most age groups, both in the short term (two years) and long-term (up to 10 years), the most dramatic increases have been among eighth graders. The early initiation of ATOD use, research suggests, is an indicator that the cohorts of eighth graders will, in four years time, be more engaged with ATOD use than is true at present.

Of course, from one community to another the use of ATOD by youth varies from state norms, which demonstrates that each community has its specific issues. Winooski School District, a small urban community located next to Burlington, the state's largest district, is the only district which is uniformly among the ten highest communities for alcohol, marijuana and tobacco use. Burlington Public Schools is among the state's ten highest for tobacco and marijuana use, but is below the state norm on alcohol use. The Manchester area, below the state norm for alcohol and tobacco use, is above the state norm for marijuana use. Important variations also exist for the age of onset, with youth in some communities beginning ATOD use much earlier than their peers elsewhere in the state. Most of the communities with early onset of alcohol and marijuana use are well removed from the state's population centers.

Vermont's Environment of Heavy Use

Vermont's youth live in an environment in which expectations are not clear. Adults are heavy users themselves. An unpublished paper by University of Vermont Health Promotion Research and Vermont Office of Alcohol and Drug Abuse Programs staff shows the conflicted messages sent by parents (Geller, unpublished). In focus groups of parents: "All parents agreed that alcohol use by youth was a serious problem in their community. . . . There was widespread acceptance that drinking among youth was inevitable . . . and impossible to prevent. It was acceptable to most parents that between the ages of 16 and 18, most adolescents would be drinking. . . . Many of the parents complained that laws concerning alcohol use were not strictly enforced. They also cited courts as being too lenient on repeat offenders." A separate study from the University of Vermont, involving focus groups and interviews with eighth graders, found that 42% of the students "simply don't know how their parents feel about their kids drinking" (Worden, unpublished).

A CSAT-funded Household Survey, carried out in 1995 and published this spring, documents that by most indicators, Vermonters use more alcohol, marijuana, cocaine and hallucinogens than the national norm: 22% of Vermont's adult population is in need of some form of alcohol or other drug treatment. Approximately 8% of adult residents used alcohol heavily in the previous year and 13% of adults used one or more illicit drugs in the past year. The heaviest use is among men and those between 18 and 25 years of age. About one third of Vermont residents 18 to 25 used one or more illicit drugs during the previous year, compared to 22% for this age group nationally. The survey also indicated that Vermonters increasingly recognize that alcohol and drug abuse are problems, although this was most pronounced for older respondents (Bray, 1997).

3. Current Prevention Funds and Activities:

ATOD prevention activities fall into three major categories in Vermont: 1) general risk and protective factor activities; 2) specific ATOD prevention activities; and 3) specific activities to reduce access.

General risk and protective factor activities are carried out by a number of programs, including the AHS's Children's Trust Fund, some Safe and Drug Free School-funded activities, and a

wide range of community coalitions around the state working with state and local resources. These include community initiatives begun by local organizations, medical centers, national youth organizations, and state agencies. Many of these programs emphasize risk and protective factors, or asset development, but do not address, in an organized way, those risk factors which are directly related to ATOD community environmental norms, nor issues of access.

Specific ATOD prevention activities are carried out by the Vermont Department of Health, including a Tobacco-Free State initiative, VDH's Office of Alcohol and Drug Abuse Programs, schools using Safe and Drug Free Schools and Communities funds, and local community coalitions with a specific ATOD orientation (including SADD, MADD). ADAP's 10 prevention specialists, in particular, work at the community level with such groups as the Rutland Area Prevention Coalition. The Mason's CARE program provides training to school personnel. Safe and Drug Free Schools funds, which come through the Department of Education, are typically used to support peer leadership programming, the employment of Student Assistance Program staff and DARE programs. The Education Department also operates the Vermont Teen Leadership program, supported by Highway Safety funds. Both the Department of Education and ADAP assist local schools in the implementation of ATOD educational programs mandated under Act 51.

Specific Access Reduction activities are carried out by the Department of Liquor Control and law enforcement agencies. DLC licenses all sales points for alcohol and tobacco. In addition to routine inspection and enforcement, DLC increasingly works with communities on sting operations to identify illegal sales of alcohol and tobacco. The Vermont State Police, the primary law enforcement agency for much of Vermont, and local police departments are also engaged in routine enforcement of drug laws, as well as specific efforts to identify marijuana being grown in rural areas. The Vermont Department of Health's tobacco-reduction project, which will support the SIP, mobilized a large coalition to reduce access and change norms around cigarette and other tobacco use.

The greatest weakness in Vermont's approach to prevention, to date, are:

- School-based efforts have not been highly accountable for outcomes;
- Local prevention programs are piecemeal efforts and fragmented, with little required coordination between school and community efforts; and
- Too many communities and schools have used intuitive-based (based on "good ideas") or theory-based (based on unsubstantiated theories) programs which have not worked.

Schools and communities have become discouraged when programs have not been effective and have concluded that ATOD prevention is just too difficult. Even with the state's emphasis on risk and protective factors, it has not been clear to communities how to turn this information into well-considered action, leading to reductions in ATOD use. This is complicated by the fact that not all state agencies and funding sources have a unified vision that programs to reduce risk factors and increase protective factors must be linked with specific, targeted prevention activities which focus on alcohol, tobacco, marijuana and other drug use and abuse.

Vermont's Effective Programs

Three program models have been effective in Vermont. Two are research-based efforts and one is a promising model. The research-based efforts are the Washington County Youth Service Bureau's Highgate High Risk program, funded by CSAP, and two mentoring programs. The

Highgate program, designed to postpone onset of AOD use, has been targeted at youth 0-18 and parents living in a low-income housing project. The mentoring programs are operating in Brattleboro and Bennington, and are based on national outcomes identified by Big Brother/Big Sister.

Some Vermont schools have adopted the Student Assistance Program model as part of a more comprehensive approach, with positive results, as indicated on the 1995 Youth Risk Behavior Survey (Downey, 1996). The results in Vermont have been confirmed by other studies (Hawkins, 1992; Morehouse, 1982).

Prevention Resources

The primary resources for ATOD and youth-oriented prevention activities in Vermont are:

Program	Agency	Funding Source and Amount	Activities
ADAP Prevention Unit	VDH/ADAP	Block Grant Prevention Set-aside, \$504,543 (33%), and Vermont General Funds \$1,024,375.	10 Prevention Specialists working regionally around the state with community groups, schools, governance teams, treatment providers.
ADAP Community Grant Program	VDH/ADAP	Block Grant Prevention Set-aside and Vermont General Funds; \$125,000	Small grants (\$500-\$1,000, generally) for local groups with primary ATOD prevention proposals. 20% used for special initiatives (this year grants for parent activities).
Smokeless States Program	VDH	Robert Wood Johnson Foundation, \$200,000	Reduce use of and access to tobacco products by use through statewide coalition and media efforts.
Vermont Teen Leadership Safety Program	Department of Education	US Dept. of Transportation, \$65,000	Governor's Youth Leadership Conference. Many peer leadership oriented youth prevention activities.
Safe and Drug Free Schools	Department of Education	US Dept. of Education, \$2,151,397	DoE distributes 70% to local Local Educational Agencies (LEAs) based on enrollment; 30% to six high need areas. Governor's discretionary funds: 90% to Vermont Prevention Institute; 10% to Law Enforcement Partnership (DARE, etc.).
Liquor and Tobacco Enforcement	DLC	General Funds, \$324,000 (27% of total budget).	Enforcement and sting operations re: alcohol and tobacco sales. Licensing, education and inspections to reduce youth access; HOOLA, the Hippo decision-making program for elementary schools.
Marijuana access	Law Enforcement	General funds, local police departments	Drug enforcement and identification of plants grown for sale or accidentals.
Substance Abuse and Suicide Prevention	AHS/Dept. of Mental Health	SDFS funds, \$64,000	Provides mail grants to community mental health centers to work in schools to prevent substance abuse and suicide and provide clinical response to youth at risk of suicide.
School-based prevention programs	Local Schools	Local funds, SDFS funds, EPSDT (Medicaid funds)	Some districts are eligible for Medicaid funds based on diagnosis and treatment activities. Some districts use those funds for ATOD prevention activities.
School Health Centers	AHS	Robert Wood Johnson, \$940,000/4 Yrs.	School based health centers in four high need locations in Vermont over four years.

NIAAA Media Grant	U. of Vermont Cen. for Health Promotion Research	NIAAA Grant, \$2.3 million/ five-year grant.	Research on impact of media on youth and adult attitudes and perceptions regarding alcohol use.
A Matter of Degree	U. of Vermont	Robert Wood Johnson, \$700,000/5 Yr.	Reduce high risk drinking among college students
Anti-Gang Program (pending)	Vermont Coalition of Run-away and Homeless Youth Programs	AmeriCorps Grant (now under consideration)	Would place two AmeriCorps participants in each county in Vermont to work with local groups on anti-gang activities.
Brattleboro Partnership	Project Adventure	CSAP, \$300,063 (FY 97)	CSAP Community Partnership Grant covering Brattleboro, Bellows Falls, Townshend, Deerfield Valley and Middlebury.
High Risk Youth	Wash. Cty. Youth Ser. Bureau	CSAP Highgate, \$460,365 (last year)	Low income housing project prevention for youth, 0-18 and parents.
Rural Youth	WCYSB	CSAP SMART Moves, \$321,645	Rural youth transition program
City Scape	WCYSB	HHS \$150,000	Grades 5-8; After school prevention activities; developing social skills, vocations skills and job skills.
YouthBuild Burlington	King Street Youth Center	HUD, \$445,000	Youth development program which includes job training, education and leadership development. Focus on low-income, at risk youth who are not in school.
Homeless Youth Case Management	Spectrum, Burlington	\$72,000 HUD, \$28,000 Ittleson Foundation, \$32,000 CDC, \$54,000 SDFS	Link for very high risk youth.
Community-based Partnership	State Government	Annie E. Casey Foundation, \$200,000	Supports local governance team development.
Success by Six	AHS and Dept. of Ed.	Federal, state and Medicaid, \$17 million.	Prepares young children to be ready to learn when they enter school. Includes Early Head Start, Head Start, Essential Early Education, Health Services.
Sexual Assault Education and Prev. Prog.	AHS & Dept. of Ed.	\$57,588	Provides small grants to 17 Domestic Violence/Sexual Assault centers and funds a public awareness campaign targeting school personnel.
Vermont Prevention Institute	AHS	\$57,588 in SDFS funds, above	Grants for new prevention initiatives.
Tobacco Control	VDH	\$78,000, CDC	Reduce use of and access to tobacco products by youth.
Juvenile Justice Delinquency Prev. Prog.	AHS	\$88,250 JJDP; \$30,500 CTF Foundation, \$110,648 State	Support JJDP Prevention Programs.
Comm.-Based Family Resource Programs	AHS	\$166,000, state	Parent Child Centers, VDH Kids with Special Needs, DMH Respite services, Prevent child Abuse Vermont
AIDS Prevention	VDH	\$1,000,000, CDC	\$500,000 to Dept. of Ed. for school-based efforts; %500,000 for community AIDS prevention efforts

Vermont Free-masons CARE	VDH/ADAP	\$30,000 from Masons	Funds training of Student Assistance Program teams from Vermont schools.
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State Data Collection Supports Prevention

Vermont's baseline and data collection system supports its prevention efforts, and positions the state well to provide CSAP with a successful program early in the process. Vermont's vigorous data collection system includes the Youth Risk Behavior Survey (YRBS), conducted biennially by VDH and the Department of Education. Two-thirds of the state's middle and high schools participated in the 1995 YRBS and three-quarters are expected to conduct the survey in Spring, 1997. YRBS data are disseminated to school districts and communities to aid planning. With CSAT's assistance an adult needs assessment Household Survey was conducted in 1995. AHS annually provides to school Supervisory Unions (local districts linked by common administrative and special services) *Community Profiles*, a publication with up-to-date data on a wide range of issues including education, child abuse, alcohol and drug use, violence and health. Information from all of these instruments is widely available and publicly disseminated, so it may be used in planning as well as in mobilizing local coalitions. *Healthy Vermonters 2000*, an annual compilation of data on the state's progress toward a range of priority health issues, is disseminated broadly for community planning.

Healthy Vermonters 2000

In 1992 the Department of Health developed *Healthy Vermonters 2000*, a set of state priorities on health issues. The 1996 mid-course report indicates "Vermont's focus on substance abuse has shifted. It is now recognized as a leading public health issue, rather than a strictly legal or moral issue." VDH objectives on alcohol include reducing motor vehicle crashes, increasing screening and referral for alcohol problems by primary care providers, reducing alcohol use by youth 12-17, reduce marijuana use by youth 12-17, reduce cocaine use by youth 12-17, reduce heavy drinking by high school seniors, reduce heavy drinking by college students and increase the percentage of worksites with ATOD polices. *Healthy Vermonters 2000* also sets goals for cancer, environmental health, heart disease and stroke, HIV, immunization and infectious diseases, maternal and child health, nutrition and physical activity, tobacco, unintentional injuries and occupational health, and violent and abusive behavior.

ADAP Prevention Plan and Treatment Capacity

On an annual basis, the Office of Alcohol and Drug Abuse Programs develops a plan which explores the specific needs in Vermont and how best to address individual, family, workplace and community risk and protective factors. YRBS, adult treatment assessments, and focus groups are used to develop the plan. Research-based practices also inform the identification of specific strategies in response to prevention gaps.

The ADAP plan for FY 1997 articulates four long-term priorities:

- Communities have and enforce policies and norms which discourage ATOD use and abuse;
- Parents have the knowledge, skills and support networks to build assets and reduce risks to prevent ATOD use and abuse;
- Young people have the community, family, school and peer support to make ATOD free transitions from elementary to middle school, middle to high school and high school to college; and

- Schools and colleges have ongoing comprehensive prevention programs which reduce ATOD use and abuse.

ADAP, which encompasses both prevention and treatment, will provide a critical link between the two elements. As effective prevention and early intervention programs operate, the demand for treatment will increase. Traditionally, in Vermont, prevention has been for youth and treatment has been for adults. ADAP's experience suggests that prevention programs which are not backed up by treatment capacity will have reduced effectiveness. Awareness of the environmental factors in prevention make it clear that adults must be a target for prevention. ADAP is strengthening its capacity to address the growing need for adolescent family therapy and substance abuse treatment, particularly as it relates to dual diagnosis. ADAP will be seeking CSAT consultation on how best to strengthen the existing system to meet these needs.

State Prevention Plans

The Children and Families Council is the overall prevention planning group for the state. The Council involves representatives from the state's human service, education, law enforcement, employment and training, community development and parks and recreation agencies. It has developed, and published a statewide primary prevention plan. The act calls for state agencies and departments to develop policies and implementation practices that are consistent with the state primary prevention plan.

Vermont has achieved important results by recognizing that when families and children face a large number of problems they are generally integrated, with the result that the solutions must also be integrated. That approach has paid off: Child abuse has been reduced by 27%; teen pregnancies for children 15-17 have been reduced 20%; child support collection have more than doubled; 87% of Vermont's 2 year olds are fully immunized; Vermont provides enhanced prenatal care to 86% of low-income women; Vermont provides school breakfasts to ten times as many kids as it did 10 years ago; 93% of Vermont's children are now covered by health insurance.

The state's Primary Prevention Plan has five main goals, with a series of sub-goals. The goals are: a strong sense of community; state government and local communities work together and support one another; Vermonters' basic human needs are met; families are supported; and people experience increased levels of well-being.

The proposed Comprehensive Prevention Strategy will be an overlay on the Primary Prevention Plan. Although the Primary Prevention Plan articulates a number of values important to ATOD prevention, it is not specific about how ATOD goals will be achieved. Two elements of particular importance to the CSAP's State Incentive Cooperative Agreement are 1) the plan's commitment to a statewide vision for prevention and 2) the commitment to coordinate initiatives among state agencies. The goal of collaboration among agencies is supported by the *Vermont's Framework for Collaboration: Developing Community Resources and Supports for Children and Their Families*, published in January, 1997 by AHS and the Department of Education. Vermont, in its prevention efforts aimed at children under six, *Success by Six*, has proven the potential for progress when agencies concerned with education, health, and human services work together.

School-Based Prevention Study

Acting on concerns expressed in his "State of the State" address, Governor Dean in January, appointed a study team to examine school-based prevention. For more than 15 years Vermont has mandated, through Act 51, ATOD education throughout the K-12 school curriculum. The recent rise in marijuana use among youth and earlier onset of alcohol and drug use, raise questions about whether school-based programs are effective. A panel of 23 individuals representing VDH, AHS, the Department of Education, law enforcement, local schools, prevention providers, Department of Liquor Control and treatment providers will submit a report to Governor Dean on June 1, 1997. ADAP Director Tom Perras is chair of the study team and has been named by Governor Dean to be director of the State Incentive project.

The report's major points, which are supported by prevention research published since 1995, are in draft stage. Preliminary findings are:

- 1) Schools cannot be successful in ATOD prevention activities without a parallel community commitment, understanding and support. Community norms and culture changes must support in-school prevention programming.
- 2) Effective school programs require direct attention to ATOD issues, research-based program components, effective treatment options and peer norm changes, strong and consistent school policies and the people working with youth must be knowledgeable and skilled.
- 3) The structure and governance around school-based prevention must be a priority at the state level. If schools throughout Vermont are committed to effective school-based prevention programs it will be, in part, because ATOD prevention is a priority and because the Governor and Legislature reinforce that priority through dedication of financial resources for school prevention programming.

B. Project Goals and Objectives

The methodology for measurement of the following objectives are detailed in the Evaluation discussion, C, 3.

Goal 1) The State of Vermont will develop a coordinated funding system for substance abuse prevention efforts which, to the extent allowed by law, merges funding streams and, where that is not possible, ensures that categorical funding programs are coordinated with and support a Comprehensive Prevention Strategy for the state.

Objectives:

- By 45 days into the project, identify and assess all federal and state substance abuse prevention funding streams and resources within the state;
- By 180 days into the project develop a systematic approach for coordinating, leveraging federal and state substance abuse prevention resources targeting communities, families, schools and workplaces;
- By 210 days into the project secure agreement among key funding stakeholders (Governor, Legislative leaders, heads of Education, Human Services, Public Safety and Liquor Control agencies) for a three-year plan to redirect all federal and state funds, as legally possible, into

- a unified and comprehensive ATOD prevention strategy in order to address state and community-specific gaps, as indicated by statewide and local use, perception and access data;
- By 210 days into the project, develop a systematic approach to selecting and awarding grants to appropriate community-based organizations or agencies within identified communities to design, carry out and evaluate the state's project; and
 - By 270 days into the project, commit funds, select and issue 15 to 25 sub-recipient grants to community-based organizations and/or agencies.

Goal 2) The State of Vermont will develop and use a research-based comprehensive prevention strategy for alcohol, tobacco, marijuana and other drug use and abuse to ensure that all state operated and state or federally funded ATOD prevention programs in Vermont operate with "One Vision, One Voice."

Objectives:

- By 90 days into the project identify the extent of the substance abuse problem affecting 12- to 17-year olds, statewide;
- By 180 days into the project develop a comprehensive strategy and obtain agreement among major stakeholders (Governor, Legislative leaders, heads of Education, Human Services, Public Safety and Liquor Control agencies); and
- By 210 days into the project identify local, community-level promising prevention approaches based on sound scientific research in Vermont and nationwide.

Goal 3) Community-based organizations or agencies will involve key community stakeholders in research-based, effective and sustainable prevention programs.

Objectives:

During the life of the project:

- Communities involved in this project will have expanded the base of participation for their efforts to ensure the coordination of community and school efforts, as well as efforts in workplaces and those fostered by health care organizations;
- Communities involved in this project will have assessed the need for and addressed formal and informal community needs and policies addressing access to alcohol, marijuana, tobacco and other drugs;
- Parents and community members will indicate increased concern and action regarding access to alcohol and tobacco;
- Access to community-based support systems will increase for youth making the transition from elementary to middle school, middle school to high school, and high school to college;
- Parents and community members will demonstrate increased knowledge and skills regarding asset development and reduced risk of ATOD involvement;
- Youth, parents and other caregivers, families, schools, workplaces and the health care community will have increased their knowledge, skills and direct involvement in ATOD prevention; and
- An increased number of schools and colleges will have articulated research-based comprehensive prevention programs which parallel the state's comprehensive prevention strategy.

Goal 4) Youth, parents and communities in Vermont will demonstrate a reduction in research-based indicators of ATOD use.

Objectives:

By the end of the three-year project

- Perceptions among youth 12 to 17 of the relative harmlessness of marijuana will decrease in communities involved in the project;
- Perceptions among parents of youth 12 to 17 of the relative harmlessness of marijuana will decrease in communities involved in this project;
- The perception of acceptable age of initiation of alcohol use among youth will rise among parents in communities involved in this project;
- Youth 12 to 17 will have increased perceptions of harm from early use of alcohol, tobacco and other drugs;
- Perceptions of acceptance and use of alcohol, tobacco, marijuana and other drugs will decrease among youth 12 to 17 in communities involved in this project;
- Indicators of intent to use among eighth graders will decrease.

C. Project Implementation

1. Phasing

Phase I

Some of the preliminary work for the State Incentive process will be accomplished before October 1. The Department of Health intends to pursue basic elements of this plan regardless of funding, although the capacity to mobilize communities will be reduced significantly without re-grant funds.

Prior to October 1, ADAP and VDH Health Promotion staff will:

- Assemble the Cooperative Agreement Advisory Council and the Vermont Coalition for Prevention of Substance Abuse;
- Provide initial training to members of the Advisory Council and the Coalition.

During the first 45 days of the project, ADAP and VDH Health Promotion staff will:

- Assemble for the Advisory Council information on ATOD prevention state, federal and private resources, and the requirements which may be attached to specific funding sources;
- Assemble information on and standards for research-based practice, including successful programs in Vermont and in states with similar conditions as Vermont;
- Identify gaps in prevention activities using statewide data as well as data for particular areas and populations (Abenaki, Asian, African-American, Bosnian).

By 90 days into the project, the Advisory Council and Vermont Coalition will:

- Gather information from Governance Teams and Prevention Specialists on particularly effective community groups, or those with greatest potential for concerted planning, implementation and evaluation efforts;

- Identify standards for community coalitions;
- Begin to develop the comprehensive prevention strategy, including a three-year action plan;
- Provide training for governance teams on research-based programs; and
- Finalize evaluation process components.

Phase II:

- Complete the Comprehensive Prevention Strategy;
- Complete the plan for the refocusing of state and federal funding on ATOD prevention;
- Where funding streams can be merged, develop protocols for how best to bring that about;
- Where funding streams cannot be merged, develop cooperative agreements which ensure other prevention funding mechanisms reflect the Comprehensive Prevention Strategy and establish policies that ensures cooperation at the local level;
- Identify the critical components for successful community coalitions;
- Provide training to potential community partners on research-based ATOD prevention and possible models which may be used;
- Support the Comprehensive Prevention Strategy through media and public education activities carried out by the Vermont Addiction Information Center and VDH's Health Promotion Office;

By 210 days into the project:

- Hold the Governor's Prevention Summit gathering together state and local prevention groups. This may include presentations by the Community Anti-Drug Coalitions of America on research-based programming.

By 270 days into the project:

- Select funded communities through a request for proposal process;
- Engage leaders of community coalitions in training on research-based programming;
- Commence data collection statewide and at community sites.
- Develop a four year plan which anticipates the ending of the State Incentive, and identifies the resources which will continue to be available.

Second and third year activities will focus on 1) technical support to community-based grant recipients; 2) increasing levels of coordination and merging of funding streams as state and federal guidelines change or evolve; 3) increased statewide commitment to ATOD prevention through public education and media efforts; and 4) mobilization for statewide policy and norm changes to support community efforts (such as changed rules on the age of persons selling alcohol).

Parallel Efforts

The approach to developing a strategy, incorporating funding into the strategy and mobilizing communities involves three parallel efforts:

Comprehensive Prevention Strategy	Coordination of Funding	Community Mobilization
Staff develops prevention analysis, identifies gaps and recommends priority target groups and strategies. Research-based models of prevention programming are identified and assessed for use in Vermont.	Staff develops analysis of ATOD prevention funds from state and federal sources, as well as private funds in-state.	Comprehensive Prevention Strategy includes basic operating conditions for community based organizations/agencies to become sub-recipients.
Cooperative Agreement Advisory Council (CAAC), in cooperation with a larger Drug Prevention Coalition, uses preliminary staff information, to set goals and objectives and begin a process for developing a Comprehensive Prevention Strategy.	Advisory Council reviews analysis and recommends potential three-year plan for coordinating funding for ATOD prevention	Advisory Council and Vermont Coalition develop a community grant program to support community-based organizations prepared to carry out research-based projects. These parameters and expectations reflect the comprehensive state strategy
Advisory Council and Vermont Coalition develop the statewide Comprehensive Prevention Strategy, including standards for community coalitions, policy change and links with media initiatives.	Proposed funding reorganization is disseminated to prevention organizations in the state for comment.	Community coalitions required to integrate program and funding.
Advisory Council finalizes strategy and recommends it to the Governor and state agency heads.	Advisory Council finalizes funding recommendations and seeks confirmation by Governor and state agency heads, pending legal analysis.	Communities provided orientation and training in preparation for competitive process.
State resources, including VDH's Vermont Addiction Information Center, VDH Health Promotion Office, etc. are committed to project.	During first year of project funding is coordinated; second and third years of project funding is merged to the extent allowed by law.	Community-based organizations prepare proposals for sub-recipient status, including identification of prevention gaps, target groups, research-based programs, measurable outcomes and community commitment.

a. Program Underpinnings

Contemporary research points to several key underpinnings for the development of Vermont's comprehensive prevention strategy.

Vermont communities will use the essential components of community-based prevention. These include: programming for the individual, family, school, media, community organizations and health providers; use of the media and public education to increase public awareness, attract community support, reinforce school-based curriculum and keep the public informed of

progress; coordination of community-wide components; targeted components to reach populations at risk with great enough duration to make a difference; a well-designed structure moving from assessment through planning, implementation and review to refinement, and feedback to and from the community at all stages; and specific, measurable time-limited objectives which are integrated with all program components (Sloboda, 1997).

Because there is no one best approach for all audiences, communities must rely on needs-based planning to develop research-based practice. School and community prevention programs must be developed with an understanding of the potential audience, including age, cultural differences and degree of risk (*Third Report to Congress on Alcohol and Other Drug Abuse*). The understanding children have of the health and social implications of ATOD use and abuse vary according to developmental stages (Dinh, 1995; Johnson, 1996). Parental and community norms must be recognized in program development (Callahan, 1995). Variables for marijuana use among eighth and 10th graders include future educational plans, parental education, race, gender, and population density. Failure to assess the attitudes and norms of the target group may lead to failure (Malvin, 1985).

Vermont will build on present interest in risk and protective factors among providers of most of the state's prevention services. Communities must use these factors, identified through assessments, as the basis for planning. AHS, VDH and the Department Education are all invested in risk and protective factors and asset development. Protective factors are predictive of significantly lower problem-behavior involvement and have been shown to moderate the relationship between risk and problem behavior and predictive of change in adolescent problem behavior over time (Jessor, 1995). There is support for the effect of adolescent bonding as a protective factor in buffering stress, decreasing risk-taking behaviors and enhancing social integration (McBride, 1995).

Vermont schools must use the identified essential components of effective, long-term school-based prevention. Effective programs must include: research-based, theory driven practice; developmentally appropriate information on drugs; social resistance skills training components; correction of mis-perceptions about drug use and establishment of conservative or conventional norms; broader-based skills training and comprehensive health education; interactive teaching techniques; teacher training and support; adequate coverage and sufficient follow-up; cultural sensitivity; a range of additional components such as those addressing family and community factors, media and targeted prevention; and evaluation (Dusenbury, 1995). Targeted prevention, in particular, has led to substantial reductions in use (Mann, 1995).

School prevention programs, a requirement under Vermont law, will be part of a larger community effort through improved coordination of planning and funding. Community attitudes are critical factors in the design of prevention activities (Hawkins and Catalano, 1992). Attitudes toward substance use vary considerably among communities, and messages must be appropriate for communities (Callahan, 1995).

School prevention components, largely supported by Safe and Drug Free Schools funds, will emphasize research-based practices. Some Vermont schools have adopted the Student Assistance Program model as part of a more comprehensive approach, with positive results, as indicated on the 1995 Youth Risk Behavior Survey (Downey, 1996). The results in Vermont have been confirmed by other studies (Hawkins, 1992; Morehouse, 1982). Peer leadership activities have been shown to be effective with the peer leaders involved (Nelson-Simley, 1995), but involvement in other extracurricular activities and sports has also been effective prevention

strategies (Komro, 1996). Programs promoting drug-free alternative activities have been found beneficial for specific populations (Carmona, 1996)

While parental involvement is a critical component, sophisticated and research-based approaches must be used to achieve that involvement. A key is completion of community needs assessments to identify present norms and concerns. Parental involvement can be very successful, but the parents most likely to be involved have low risk children to start with and other parents may be very difficult to recruit (Cohen and Rice, 1995). Low participation is the result of denial, stigmatization, discomfort, marital status and child's gender (Cohen and Linton, 1995).

School and community prevention programs must counteract the negative impact of media on ATOD use. The Health Promotion Research program at the University of Vermont, which will be cooperating with this project, holds a five-year \$2.3 million NIAAA grant to explore how media advertising can decrease youth demand for alcohol. Previous studies by this group have shown effective media techniques for reduction of alcohol and tobacco demand. The study will involve two areas of Vermont, one of which will receive strong media advertising and community organizing aimed at youth and parents designed to change demand and parental norms. A comparison area will receive no advertising. Multi-year surveys will measure changing attitudes. Although the proposed program and the NIAAA grant are highly complementary, they are not duplications. The NIAAA media program directed at pre-teens and teens will operate to decrease demands among youth rather than deal with access or marketing issues. The potential for parental norms shifts will also be investigated, but not as a statewide program.

Appropriate Models

Several of the research-based models which have emerged in recent years appear to be particularly appropriate for Vermont. The Advisory Council will consider the following:

Project Northland. Vermont is committed to the importance of connecting community, families, schools and peers, as evidenced by the coalitions, governance teams and other structures in the state. Northland adds strong components on meaningful youth involvement and the media which is missing in Vermont efforts. Demographics in the Northland study are similar to Vermont's.

Life-Skills Training. Vermont agencies and organizations do a great deal on resiliency, but curriculum on life skills is outdated. Nearly 100 schools in Vermont have requested more sophisticated skill training material. Life-Skills, because of its demonstrated ATOD impact, is particularly appropriate. It has been tested across a variety of cultural groups, with adults only and with adults and peer leaders.

Adolescent Transition Program. This program provides a strong family system which leads from broader education to more targeted intervention and, as needed, treatment. Given the high level of ATOD use among adults in Vermont it fosters a needed family approach..

Asset Development. The Search Institute model has shown the relationship between assets and ATOD use, although it has not been validated in control studies. In Vermont it has been found to be a means of getting community members to the table to talk about youth needs, which allows movement to the ATOD issues (which are always more difficult). ADAP looks forward to seeing validation information on assets and ATOD use.

Student Assistance Programs. As noted above, SAP personnel have been shown to be effective in Vermont and in other studies. This promising practice, in use in a quarter of Vermont schools, has been one of the more effective uses of SDFS funds.

b. Comprehensive Prevention Strategy

The Vermont Department of Health has, in the past five years, led the development of three major planning initiatives involving many constituencies with sometimes conflicting perspectives. The Healthy Vermonters 2000 project resulted in statewide goals and strategies for achieving a number of pressing health related outcomes. The Coalition for a Tobacco-Free Vermont, a tobacco control program of the VDH, generated a large and enthusiastic statewide coalition with local organizations pursuing a range of tobacco prevention activities. A Cancer Plan was designed to improve outreach, education and access to screening for targeted audiences in Vermont. In all three cases VDH used a process in which a large number of hand-picked individuals identified their primary goals and objectives, designed a process for planning and completed effective plans. Each of these plans has been widely accepted by critical stakeholders because they were involved in the plan development.

The goals of the Comprehensive Prevention Strategy process will be to:

- Ensure "One Vision, One Voice" in state ATOD prevention efforts and allied programs;
- Develop strong guiding principles and strategies for all state and federally funded ATOD prevention programs to ensure use of research-based programming;
- Create an environment in which local community efforts can effectively join forces regardless of the origin of their support;
- Strengthen the statewide support for prevention as well as modification of those formal and informal policies which contribute to the problem.

Planning Process

1. The ADAP Chief of Prevention and the VDH Director of Health Promotion (each of whom will devote 50% time to the project during the first year) will convene the Advisory Council and Vermont Coalition within 45 days of the beginning of the grant. Because the Vermont Coalition for Prevention of Substance Abuse will be operative regardless of the cooperative agreement, it may, in fact, have met prior to Oct. 1.
2. During the initial meeting of the planning process, VDH staff will present information about the Cooperative Agreement, the anticipated goals and objectives, and evaluation processes. A critical planning component will be presentation of information about the nature of ATOD use among Vermont youth 12 to 17, as well as use among targeted groups of youth. The nature of research-based prevention (as opposed to intuitive or theory-based) will be reviewed and examples of successful programs will be presented.
3. The group will be asked to reaffirm the project goals and objectives, establish priority strategies based on the data about use, onset and prevention gaps. Where additional information is required, working teams will secure that information, assisted by project staff.
4. The group will develop working teams to pursue plans for each of the major priority areas. Working teams will involve carefully selected facilitators who will be trained on how best to keep the group moving forward and toward the specific planning outcomes desired.

5. By mapping out and adhering to carefully developed timelines, the plan will be completed by 180 days into the project and presented for approval to the Advisory Council.
6. The Advisory Council will then recommend the plan to Governor Howard Dean (a member of the Council), as well as heads of the three primary agencies concerned with ATOD prevention: human services, education and health.
7. Upon approval, a "Prevention Summit" will be convened by Governor Dean at the State House. All of those involved in developing the Comprehensive Prevention Strategy, as well as additional legislators, state officials, local coalition members, parents, employers and youth will be invited to attend. This should occur by 210 days into the project (or mid- to late-June, 1998).

Project staff will carefully monitor the planning process to assure that the plan follows "Guidelines and Benchmarks for Effective Prevention Programming," as developed in a *CSAP Implementation Guide*. "Guidelines" calls for plans to reflect 10 elements in three major components: appropriate strategies, implementation considerations and interrelationships and appropriate structure. The "Guidelines" suggest that a thorough assessment is a critical preliminary step in the process. The assessment will identify the nature of alcohol, tobacco, marijuana and other drug use and abuse among youth 12-17. As noted in the Background section, Vermont has the benefit of an extensive Youth Risk Behavior Survey baseline, as well as Household Survey and Adult Behavior Risk Survey information. While, in general, they point to ATOD use above the national norm, specific data is also available about most of the state's communities. Some communities have their own baseline data in a form which is not consistent with YRBS, but still helpful.

Guidelines Planning components include: 1) Selection of Appropriate Strategies: knowledge of the target audience, clarity and realism of expected results, corroborative empirical evidence of potential effectiveness, and conceptual soundness; 2) Interrelationships and Appropriate Structures: inclusive participation, system integration, and appropriate structuring of the effort; and 3) Implementation Considerations: appropriateness of timing, intensity and duration, attention to quality delivery, and commitment to evaluation and effort refinement.

The final product, the Comprehensive Prevention Strategy, will include: a statement of the substance abuse problem in Vermont and how it relates to significant components of the community; a description of the process and criteria for identifying gaps in prevention efforts and a description of the gaps found; description of the current and proposed resource allocations for the prevention efforts targeting youth, communities, families, schools and workplaces, specific rationales for choosing the promising prevention practices to be implemented in target communities and a description of these communities; a finalized evaluation and data collection plan, a description of the Cooperative Agreement Advisory Council and how it will carry out its monitoring function; and a detailed approach for disseminating prevention findings and lessons learned statewide and by individual communities.

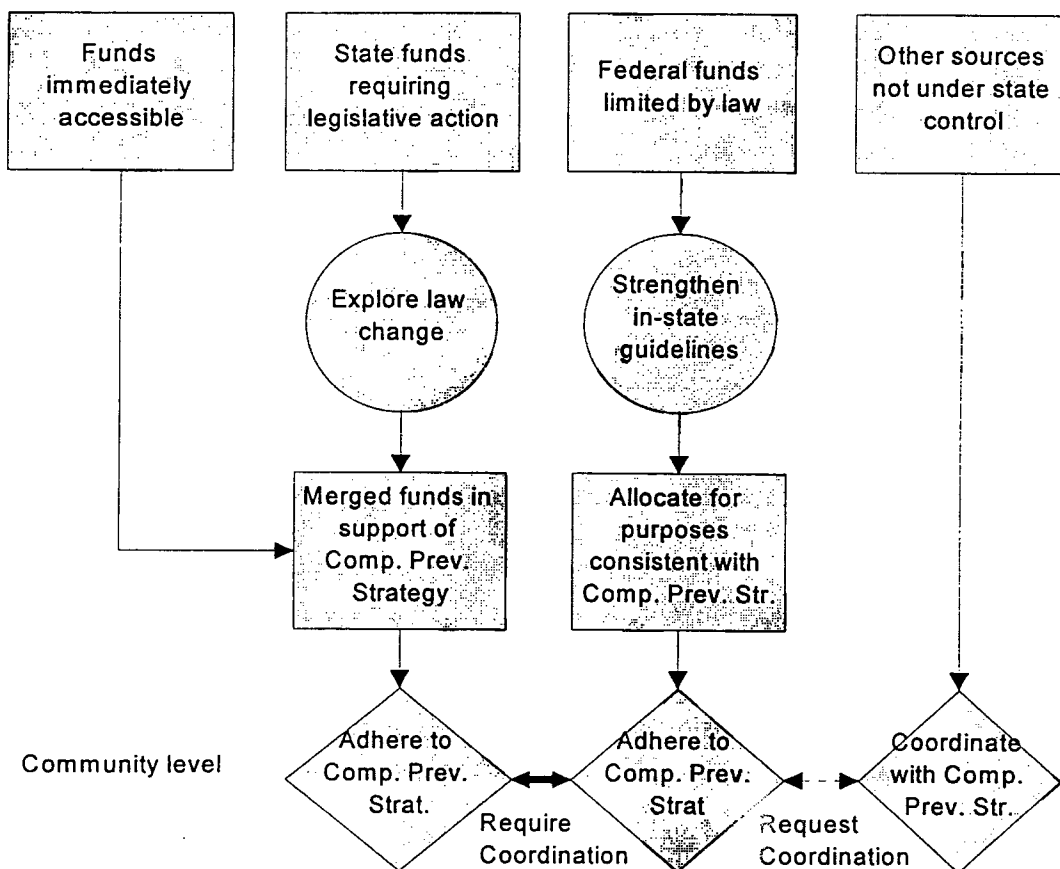
c. Coordination and Merging of Funding Streams

As indicated in the funding analysis, much of the prevention funding in Vermont is specifically defined by law. While much of the 20% prevention set-aside for the SAPT block grant can be used to make the State Incentive Cooperative Agreement more effective, the other major source for prevention funding, Drug Free Schools funds, is specifically defined by law. Some prevention activities in the state are not under state control, such as the University of Vermont

Health Promotion Research Center's NIAAA grant on media and alcohol, although activities can be coordinated both to benefit the over all state prevention plan and to ensure that the research grant is unimpeded by other prevention efforts.

One immediate allocation of resources for the State Incentive will be the dedication of significant staff time by ADAP and Health Promotion personnel. ADAP has already been moving in the direction of requiring research-based prevention activities, and in strengthening community coalitions through technical assistance provided by 10 prevention specialists. ADAP has experience in running competitive prevention grant programs for community groups. While some competitions have been open to a wide range of ATOD prevention activities, some have been particularly targeted toward population which the research indicates are of particular importance. This spring, ADAP offered grants specifically under the title "Parents Make A Difference," funding activities which support one of four ADAP priorities and using proven effective practice. VDH also has available a model used by AHS for the grant process for Family Preservation, an initiative which merged non-categorical funds and categorical programs in a way which reflects the intent of the State Incentive program.

One approach to the coordination of ATOD prevention funding is:



While the linking of state and federal funds in the Vermont Department of Health's Office of Alcohol and Drug Abuse Programs may be fairly straightforward, other funding may require coordination. Safe and Drug Free Schools and Communities funds of more than \$2 million come to

Vermont each year. Of those funds, 80% are distributed to school districts based on population and the remaining 20% are distributed to high need communities by the Agency of Human Services. The distribution to school districts is with few restrictions, although the Department of Education does suggest that funds be used for programs which have been shown to be effective and that they may not be used for single-event activities. Distribution to high need communities is predicated on a variety of factors, including degree of ATOD use (as reflected in the YRBS) and other larger indicators of community need.

Three possible actions could happen with Safe and Drug Free Schools and Communities funds: 1) The nature of the program could change at the Federal level, allowing greater discretion in how the funds are used and, at the same time, the political climate on the state level would allow for the merging of those funds with other prevention funds; 2) guidelines to districts require that funds be used in a way which supports the Comprehensive Prevention Strategy, while high need grants review teams are the same review teams which distribute other ATOD competitive grant funds; and 3) The Department of Education might provide a list of approved activities and strategies, with the requirement that schools in communities receiving State Incentive funds must link their efforts to those of community coalitions.

Funding Policy Process

The Cooperative Agreement Advisory Council will be central to the discussion about funding. The Council includes heads of state agencies with the power to assure compliance with Council recommendations, as well as state legislators who can provide advocacy in the legislature for changes in state laws and rules.

A process for developing a plan for coordination of funding will involve the following steps:

1. Project staff will develop a comprehensive review of prevention resources, both funding and personnel activities, in all state agencies. This will be accomplished with the cooperation of the State Prevention Team, which includes persons from a wide range of state agencies.
2. As the Comprehensive Prevention Strategy is developed, the Advisory Council will consider implications for available ATOD prevention funds, particularly those funds available for ATOD or other prevention programs aimed at youth from 12 to 17 years of age.
3. The Advisory Council will develop recommendations on:
 - funds which should be unified to support the Comprehensive Prevention Strategy;
 - Legislative action required to further consolidate ATOD prevention funding;
 - funds which should be coordinated with the Comprehensive Prevention Strategy through the imposition of rigorous guidelines on fund use and accountability measures to ensure that this is carried out; and
 - how independently funded programs (foundation-funded programs at the state level and foundation and government-funded programs at private sector institutions) can best be brought into alignment with statewide efforts;
4. By 180 days, recommendations on prevention funding coordination will be presented to Governor Dean for possible action in the Legislature, state departments and elsewhere.
5. Early agreements on coordination of funding will be addressed during the Prevention Summit to demonstrate the state's movement towards "One Vision, One Voice."
6. Specific gains in the coordination of funding will be sought during the spring of 1998, in anticipation of final recommendations.

7. State Legislative actions will be sought during 1999, and those funds which can be merged administratively will be merged by spring, 1999.
8. Guidelines for programs which cannot be merged will be altered, to the extent possible by law, by October 1, 1998.

d. Identification of Community-Based Sub-recipients

Vermont is composed of 242 mostly rural and often remote towns. Although there are a few population centers hosting large organizations and service providers (particular medical centers) many communities are removed from these centers and cherish their individual identities. This appreciation for "local control," as well as physical isolation, is a major issue for individuals, communities and those organizations serving individuals and communities. Largely because of the state's sparse population and small size, government is either very small, at the municipal level, or gathered at the state level. There is no county government other than the court system.

One response to this limited government system has been the development of Regional Governance Teams which involve representatives from state agencies, local social service providers, schools, health care providers and community members. Governance teams will help in identifying community-based organizations with the capacity and local network connections needed to bring a statewide Comprehensive Prevention Strategy to the local level. There are 12 teams in the state covering 14 counties, which means each covers several communities. Governance teams include in their membership ADAP's prevention specialists and the district public health directors. VDH district directors are charged with health promotion and disease prevention and work closely with the health care system in each community. Because of the significant impact of ATOD use on broader health issues, VDH district directors are strong allies of prevention specialists on the governance teams.

Vermont, with 600,000 residents living in 242 mostly small towns, have few local government resources. Most towns have no police, few employees and rarely any municipal system for dealing with youth or community health issues. Governance teams assist small communities in planning, part of which means recognizing a diversity which may not always be apparent. Although Vermont is the state with the highest percentage of "white" residents (at more than 98%), there is an important Native American population and recent arrivals of refugees from Southeast Asia and Bosnia. Cultural and social differences in the overwhelmingly white population also contribute to the state's diversity, and must be addressed in planning.

Governance teams offer the potential that community coalitions will identify not only ATOD risk behaviors, but also their negative social impact. While ATOD use and abuse may spark a level of interest in communities, the knowledge that alcohol and drug use lead to school failures and drop outs, fatal car accidents, teen pregnancies and criminal activity has the potential to broaden the constituency within any community. Governance teams, because their activities are focused on a variety of social indicators, not just ATOD use, will generate broader support for ATOD prevention. Governance teams also provide a link to target groups which are the concern of other entities, such as students involved in school-to-work activities sponsored by Workplace Investment Boards or Human Resources Investment Councils.

Vermont has a number of community-based organizations with the expertise and commitment to undertake a reshaping of ATOD prevention efforts throughout the state. During the past year ADAP has worked the following community-based groups:

St. Johnsbury Prevention Partnership, a CSAP partnership;
 Brattleboro Partnership Consortium, a CSAP grant recipient;
 Washington County Youth Service Bureau, a CSAP recipient for Highgate High Risk project;
 Spectrum (Burlington);
 Smart Moves;
 Safe and Drug-Free Schools and Community committees in most of the state's counties;
 Morrisville Alcohol and Drug Coalition;

Dawnland (Native American) Center;
 Springfield Area Collaborative;
 Rutland Area Prevention Coalition;
 Champlain Initiative;
 Bellows Falls Alliance Board, a CSAP partnership group;
 Hartford Building Caring Communities Team;
 Burlington Youth Advisory council;
 Addison County Alcohol and Drug Task Force;
 Bennington Coalition for the Homeless; and
 Refugee and Immigrant Network.

A factor in the development and sustenance of community coalitions is the increasing interest of health care organizations in prevention activities, for example. Medical centers in Bennington and Burlington, for instance, are funding program activities aimed at community issues. The Partnership for a Healthier Southshire (Bennington) has identified overall healthy lifestyle, youth, and alcohol and drug use as its three priority concerns. The Champlain Initiative in Burlington has established goals related to lifelong learning, individual and family support, community public health promotion, sustainability and governance and structure.

Funding Process

The Advisory Council will develop, based on staff information, guidelines for grants to community-based organizations. Issues to be considered in developing a re-grant program include:

What models have been shown to be effective among Vermont community-based organizations: Vermont-based organizations have worked on a number of prevention initiatives, including CSAP community partnerships and high risk projects. The positive lessons from these projects should be available to all community coalitions through effective technical support and replication strategies.

How to assure that research-based approaches are used: The grant review process will assist community-based organizations in identifying and applying proven programs and, where necessary, end programs which have no substantiation of effectiveness.

How to relate the amount of funds granted to the size of a community: Vermont's largest community, Burlington, is the center of a county with a population of 90,000. Other counties range from 6,000 to 60,000 in population. Burlington is a community where homeless youth and adults appear to congregate. The financial resources in Burlington, however, are also significant compared to more rural areas.

How to relate the amount of funds granted to the degree of need and the success or failure of previous efforts: Although Vermont, overall, is above the national norm for alcohol, tobacco and marijuana use among youth, there are significant variations around the state in the severity of the need. Some communities have benefited from CSAP grants--some over the course of many years--with varying results as measured by YRBS.

How to address the needs of targeted populations which are not all located in one area: Native Americans in Vermont, who do not have tribal status, are widely dispersed, yet may benefit from a culturally appropriate prevention program which emphasizes traditional values and family networks.

How firmly should prevention efforts be linked to intervention and treatment systems: effective prevention and early intervention programs often lead to increased demand for treatment services. Current indicators among school programs are that while SAP personnel do identify individuals who are willing to enter treatment, there are many barriers to making that happen, including access, parental support and finances.

Proposed Specific Factors in Community Selection

Development of criteria for selection of community-based organizations should include both 1) mandatory thresholds, those levels which must be achieved in order to qualify; and 2) competitive factors, those relative components which indicate the potential that a funded program will be successful in achieving the goals and objectives of the State Incentive program.

Mandatory thresholds may include:

1. Applicants from a common geographic area must reflect coordination with other applicants to avoid redundant proposals (i.e., the greater Burlington area may have a number of community-based groups which will carry out complimentary activities);
2. Applicants must employ at least one qualified prevention professional, coordinate community activities, and participate in ADAP-sponsored trainings;
3. Applicants must be closely linked with school prevention activities and school prevention activities must reflect Comprehensive Prevention Strategy priorities;
4. School districts within the area covered by a specific application must have participated in the Youth Risk Behavior Survey, be prepared to do so, or have carried out equally valid and comparable surveys of ATOD use;
5. Applicants must consider in their planning the relative importance of risk and protective factors, community environmental norms and culture and access;
6. Applicants must include in their community planning, awareness and assessment of the particular needs of women, minorities, persons with disabilities and other potential target groups; and
7. Applicants must demonstrate links with Workplace Investment Boards, Human Resource Investment Councils, or other links with employers; and links with health care providers.

Potential competitive factors include:

1. Depth of the data-based assessment of community priority areas;
2. A track record which indicates the community-based organization has the capacity to develop, carry out and evaluate program activities with a high likelihood of success;
3. Demonstrated cultural competency with populations living within the county, including racial, sexual orientation and gender, social and economic subgroups;
4. A clear understanding of and ability to replicate research-based models appropriate for the specific geographic area in which they operate;
5. Readiness to deal with difficult to reach audiences (i.e. 16 and 17-year olds out of school);
6. Indicators that communities are prepared and able to deal with community norms and cultures which support alcohol, tobacco, marijuana and other drug use by youth and adults;
7. A strong link with health care community wellness initiatives;
8. A strong link with the treatment system;
9. Investment by local funders, including employers, medical centers and community-based organizations; and

10. A demonstrated community investment in ATOD prevention.

By 210 days into the project the Advisory Council will develop a re-grant process based on consideration of issues identified above, as well as threshold and competitive factors. The process will include use of a grant review team which includes individuals from several state agencies who are familiar with the specific applicants or the regions in which they operate. An effort will also be made to find persons who are not state agency employees but are familiar with community organizing around ATOD prevention (but without conflicts of interest). A majority of the persons on the review team should be persons who were involved in developing the Comprehensive Prevention Strategy to assure that grants reflect statewide priorities and approaches.

Grants to sub-recipients may require that groups budget for training specific to research-based prevention and community organizing, as well as the costs of collecting data for the local and statewide evaluation process.

ADAP and Vermont Prevention Institute members will provide training to potential grant applicants on the development of community needs assessments (based on work by Hawkins and Catalano, the Search Institute or other research-based tools), as well as identification of the key components of successful research-based ATOD prevention approaches. Potential sub-recipients must recognize that the specific prevention and early intervention programs to be used must depend upon the target groups to be reached, the nature of the ATOD risk for that target group and the specific factors requiring cultural competency.

By 280 days sub-recipients will be notified of grant awards and award conditions.

2. Project Management

The State Incentive Cooperative Agreement will represent a major initiative for the Vermont Department of Health. Commissioner Jan Carney, MD, will be named chair of the Cooperative Agreement Advisory Council. She will serve as the primary representative of Governor Howard Dean, MD, to the process, and will commit 5% of her time to the effort.

Tasha Wallis of the Governor's staff will serve on the Advisory Council.

a. Cooperative Agreement Advisory Council

The Cooperative Agreement Advisory Council will be comprised of 28 key leaders in Vermont. Governor Dean has asked VDH Commissioner Jan Carney, MD, MPH, to chair the Council on his behalf. Tasha Wallis of the Governor's Office will be assigned as his staff liaison. It is anticipated that a CSAP liaison will be an active member of the Council. The Advisory Council will establish the overall direction for the project. A Vermont Coalition for Prevention of Substance Abuse will be formed to carry out much of the planning and program development. The Advisory Council, named by the Governor, will include:

State Senator Helen Riehle
 State Representative Jerry Kreitzer
 Commissioner Marc Hull, Department of Education
 AHS Secretary Cornelius Hogan
 Cheryl Mitchell, Deputy Secretary, AHS
 Commissioner Jan Carney, MD, MPH, VDH
 (chair)

Commissioner Norris Hoyt, Department of Liquor Control
 Commissioner Jane Kitchel, Department of Social Welfare
 Commissioner James Walton, Department of Public Safety
 Commissioner Rod Copeland, Department of Developmental and Mental Health

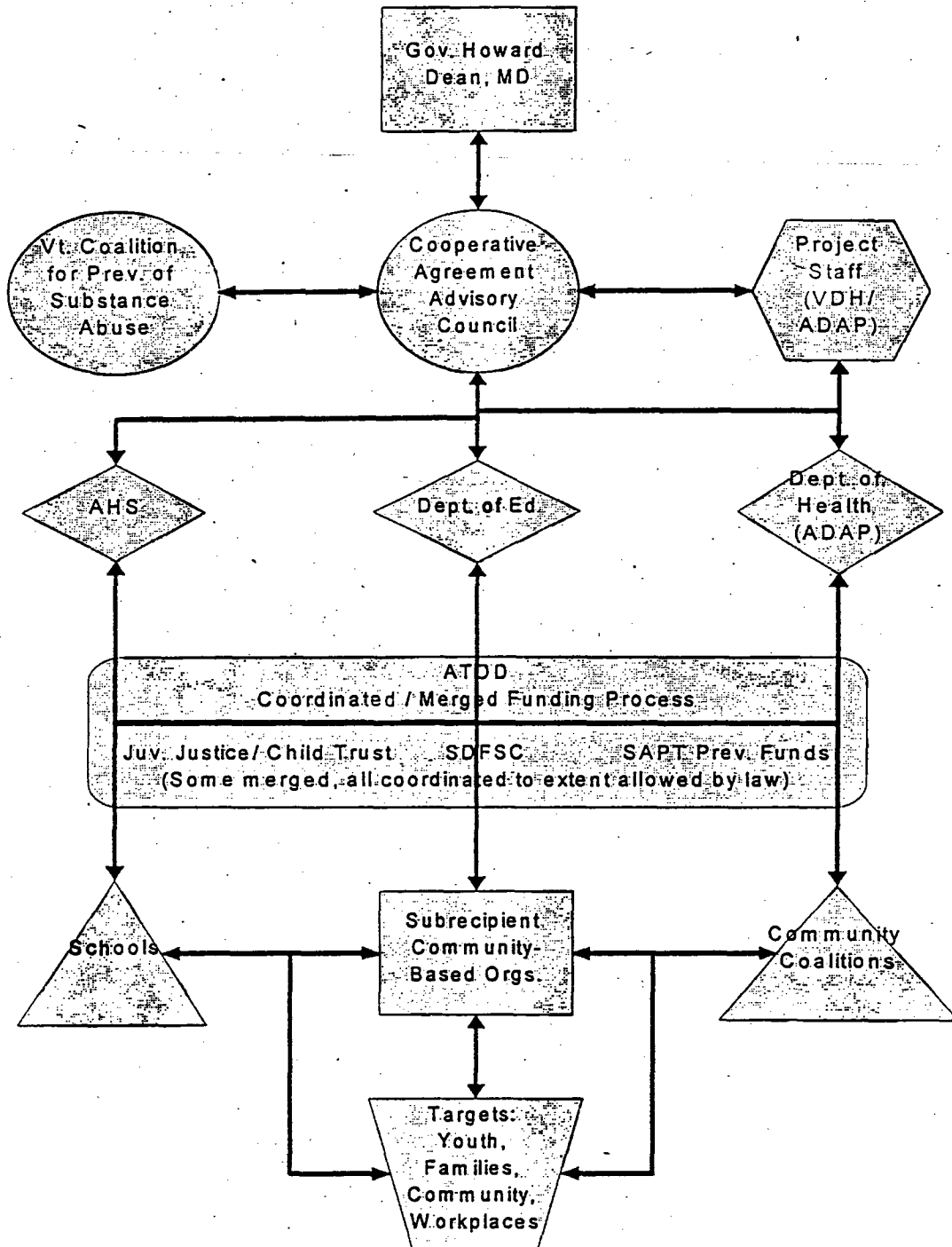
Commissioner William Young, Department of
Social and Rehabilitation Services
Richard Powell, Chair, Vermont Prevention Insti-
tute
Karen Gennette, Regional Governance
Team/Substance Abuse Task Force
Steve Dale, Baird Center for Children and Fami-
lies
K. C. Whitely, Agency of Human Services, Head
Start
Ted Mable, AHS Planning Division
Carol Rose, Department of Education
Lauren Corbett, VDH Office of Minority Health
Andrea Livermore, Windham County Youth
Service Bureau, a CSAP grantee

Catherine Suiter, Green Mountain Prevention
Projects
Ken Schatz, Children and Families Council
Karen Meyer, Vermont Medical Society
Mildred Reardon, MD, Associate Dean for Pri-
mary Care, University of Vermont College of
Medicine
Tom Howard, Washington County Youth Service
Bureau, CSAP Highgate Grant, Barre
Deborah Haskins, Harwood Union High School
Student Assistance Program
Jane Williams, Director, Vermont Commission on
National and Community Service
Gary Bullard, Vermont Criminal Justice Training
Council
Tasha Wallis, Office of the Governor

The Advisory Council will be part of a larger Vermont Coalition on Prevention of Substance Abuse which has been under development in the state during the past several months. The Coalition will include, in addition to the persons named above, staff members from the Agency of Human Services, Department of Health (including ADAP and Health Promotion), Department of Education, the Vermont Prevention Institute, the Children and Families Council, the State Prevention Team, legislators, community partnerships, community prevention programs, the Governor's Council on Alcohol, as well as representatives from a broad range of community-based groups. Membership of the Vermont Coalition may number 60 to 100 persons, including the Advisory Council.

Development of the Cooperative Agreement Advisory Council will facilitate two important processes: 1) greater understanding of research-based ATOD prevention among the participants and 2) greater commitment by those participants and their agencies to the concept of working under a Comprehensive Prevention Strategy. The Department of Health will call upon CSAP and the regional Center for Abuse Prevention Technology for assistance in training Advisory Council and Vermont Coalition members in research-based prevention issues.

The proposed organizational chart for this project is:



b. ADAP and VDH Staffing

The State Incentive fits logically into the Office of Alcohol and Drug Abuse Programs as this is the direction in which ADAP has been moving. ADAP will carry major responsibility for the project, along with VDH's Office of Health Promotion, with overall support from the VDH ad-

ministration. Thomas Perras, Director of Alcohol and Drug Abuse Programs, will be project director, with a 20% time allocation.

Project Co-directors will be Marcia LaPlante, Chief, ADAP Prevention Unit, ADAP, and Deborah Dameron, Director, VDH Health Promotion. Each will be committed for 50% during the first year of the project). The Prevention Chief will: restructure the role of prevention specialists so that they can effectively provide extensive time to this project, assist in assembling ATOD use and abuse data for Council, assist in identifying gaps in prevention, oversee hiring of a project manager and secretarial support, share coordination of operations between business, evaluation and project manager, develop process for informing communities about programs, develop grant review criteria and process, direct training of prevention unit staff, Advisory Council and Vermont Coalition, as required by CSAP and in line with resources developed by CAPT. The Director of Health Promotion will coordinate the Advisory Council planning process, including the organization of task forces, facilitation of meetings and other process steps. The Prevention Chief will be supported by staff program specialists who will guide the provision of field services, provide facilitation services to the planning process, and guide the project manager in development of timeline, RFA, grant process, and review grant monitoring, in accordance with VDH policies.

A Project Manager will be employed at the start of the grant (within 60 days) to assist the project director and co-directors. Responsibility will include documentation, product development, and dissemination of information among planning participants. The Project Manager will also assume primary responsibility for the sub-recipient grant process, including facilitation of the grant process according to VDH policies and program guidelines developed under the Comprehensive Prevention Strategy.

Prevention Specialists, each of whom spends 65% of the time in community work, and will commit 40% to this project, will: provide input to the Advisory Council; participate in training to improve their skills in community needs assessment, application of research-based prevention practices; disseminate information through their regions about the "One Vision, One Voice" project and re-granting opportunities; provide consultation to AHS governance teams on the Comprehensive Prevention Strategy; assist governance teams in identifying coalitions within each region which have identified ATOD issues as a priority; provide consultation to groups which will be submitting RFAs to the project; and work closely with community-based organizations to assure that their programs adhere to project standards.

Within 60 days of the award, VDH will contract with a Project Evaluator (under conditions indicated in Evaluation Section) and hire a project evaluation coordinator. The Project Evaluator will report to the Project Director and work closely with the VDH Epidemiology Chief, William Apao. The evaluation coordinator will be supervised by the Epidemiology Chief.

ADAP has committed to fund a coordinator at the Department of Education, who will be in place before the project begins. The coordinator will improve the linkages between ATOD education activities in Vermont's schools and the larger ATOD activities underway at ADAP and, potentially, through the State Incentive project. This commitment reflects the fact that while the Department of Education is very interested in this project and process, it does not have the resources necessary, at this time, to commit significant staff support. Six staff members at the Education Department are involved, at some level, in ATOD prevention work.

The Vermont Addiction Information Center, a public education and media program in ADAP, will support the public education activities under this program and provide a liaison with the Partnership for a Drug-Free Vermont.

3. Evaluation Plan

The systems already in place in Vermont provide the opportunity for a strong and comprehensive evaluation product. Not only does the state have an existing network of regional prevention specialists but it also has a model monitoring system that can serve as a model for states funded in the future. Vermont has already established a statewide indicator monitoring system and uses it for needs assessments and as a component in the allocation of resources. These systems, coupled with the participation of a very strong and experienced evaluation team, will result in immediately useable data and a model for evaluation in other states. Vermont has already established an "evaluation friendly environment" in which some prevention funders already expect outcome-oriented evaluation data. In addition, Vermont's current data already incorporate the minimum data sets (MDS) currently under development at CSAP, providing an opportunity to provide data for across state analysis.

Participation in an initiative that focuses on marijuana is particularly timely for the state of Vermont. The report on a recent CSAT-funded telephone survey commissioned by the state indicates 32.9% of 18-25 year olds reported using marijuana as compared to 21.8% for the national sample, a level of use approximately 50% higher (Bray, 1997). That same difference is noted in those over 35 (6.9% in Vermont versus 4.1% nationally). The Vermont Youth Risk Behavior Survey (YRBS) students in grades 8-12 (ADAP, 1995) shows a sharp increase in marijuana use in the past 30 days, increasing from 16% in 1993 to 29% in 1995. For ninth to 12th grade students, YRBS data indicates Vermont has a higher level of use than the national norm for marijuana (32.2% vs. 25.3%). This suggests that there is greater tolerance of marijuana in this state and there is more likely to be ambiguity in the adult population, increasing the danger of marijuana use among targeted youth.

The SIP evaluation process will be guided through collaborative planning and coordination of actions between the Governor's office, VDH, CSAP and the Governor's Advisory Council. This state level activity is crucial to the success of the overall SIP implementation plan because it is the initiating point for many of the guidance and coordination activities that are expected to impact the entire state system. These activities will include coordination of guidelines and priorities for prevention funding streams; coordination of programmatic guidelines to funded prevention activities that are designed to increase the balance of funding, decrease gaps and redundancies, and strengthen the utilization of science-based prevention technologies; and selection, guidance, and monitoring of contracts to sub-recipients.

The evaluation design, developed by Dr. Craig Love of Brown University in association with E.M.T. Associates, involves two major levels, statewide and sub-recipient. Process and outcome evaluation data are will be linked to increase the value of both formative and summative components. Further, both quantitative and qualitative methodology is employed.

Collaborative Evaluation Process

The evaluation process is a collaborative effort. The SIP has profound implications for delivery of community-based prevention in Vermont, and potentially for the funding of prevention in the future. The value of the information produced through evaluation of the SIP depends on

clear understanding of the perspectives, interests, and interpretations of the persons and organizations impacted by the program. The SIP will utilize collaborative evaluation in which the evaluator works closely with the Vermont ADAP staff, and sub-recipient staff; and in which other important stakeholders have input.

The entire evaluation plan will include an equitable selection of all sites based on demographic data. The study will assure that evaluation data reflects economic, geographic and cultural diversity within the state. Underrepresented minorities, like Native Americans will be encouraged to participate in the State Incentive Program. The rare exclusions may occur in which sites opt to provide specialized programs for females. The state ADAP is particularly interested in encouraging the participation of the Abenaki Indians in the SIP.

a. The overall Evaluation Plan in relation to the goals and objectives of the Program.

The goal of the SIP initiative is to mobilize the community, involving all segments of society, to educate and motivate youth to increase their perception of drug use harm and risk and to reduce the incidence of drug use among adolescents in the targeted age group-12-17 or at least delay onset of substance use. The SIP initiative is intended to change the atmosphere to be less conducive to substance use by changing the community's attitudes regarding drug use. The State of Vermont will meet the goal of the SIP initiative by focusing on the following four goals:

- Goal 1) Develop a coordinated funding system for substance abuse prevention efforts to support a Comprehensive Prevention Strategy for the state.
- Goal 2) Develop and use a research-based comprehensive prevention strategy for alcohol, tobacco, marijuana and other drug use and abuse
- Goal 3) Community-based organizations and/or agencies will involve key community stakeholders in research-based, effective and sustainable prevention programs.
- Goal 4) Youth, parents and communities in Vermont will demonstrate a reduction in research-based indicators of likelihood of ATOD use.

The implementation of the SIP will generate a flow of requests for state support and prevention knowledge application materials. This increased prevention activity is expected to increase prevention capacity, modify activities of sub-recipient community-based organizations. Evaluation products will increase prevention capacity and outcomes in local programs throughout and after the program. Drawing causal inferences about whether the SIP achieves these anticipated influences will require skillful application of a variety of techniques for assessing causal linkages. Different methods are appropriate and feasible for different components of this comprehensive, systemic program.

Documentation and assessment for statewide data must be initiated immediately upon award of the SIP cooperative agreement. The evaluation will address the following general research questions.

- How has the state level effort actually been organized and implemented, e.g., what has been the degree of participation among different agencies and organizations? How have members of the public been brought into the arena? What collective decisions have been made and how have these linked to specify agency practices in funding and guiding prevention?

- How has SIP impacted the network of organizational interactions involving prevention at the state level? To what extent has this extended into the daily operations and procedures of different participation agencies (e.g. in focused decision procedures such as funding)?
- How has SIP impacted the ways in which state agencies provide guidelines, provide assistance, or in other ways influence the utilization of science-based prevention strategies? How has ADAP input been utilized in prevention planning at the state level? Has it changed/strengthened prevention philosophies or practices at this level?
- What have been the barriers to achieving intended coordination, improved networking or improved prevention practice at the state level (e.g. rigidity or categorical requirements of federal funding streams)? What have been the great opportunities or successful practices?

The Vermont implementation plan includes an RFA process for identifying sub-recipients to facilitate the implementation of SIP activities in youth, family and community prevention, targeting outcomes on youth ages 12-17 year olds. The research questions related to sub-recipients include the following.

- How has SIP and the inputs it brings to the local sub-recipient programs impacted their operation and service delivery? What do they do differently because of SIP (e.g. involve more youth, families, community members in their decision making)?
- How have SIP sponsored programs impacted their clients? Is there evidence that they recruit, retain, and serve clients more effectively? Do the SIP sponsored programs result in greater reduction in substance abuse, and increase in healthy attitudes in comparison to their matched comparison group? This analysis can be conducted at the school or supervisory union level, depending on the reach of the intervention in question.

To assess the degree to which SIP produces strengthened coordination, influences the decisions of system actors, impacts the capacity of local organizations, or modifies the array or distribution of prevention strategies and activities, the evaluation will use a theory-based approach to case studies that has been labeled "linked-process case design" (Springer and Phillips, 1994). The technique emphasizes the importance of using program theory to clearly establish the expected causal links between program activities and outcomes; and the importance of identifying appropriate indicators for assessing attainment of process objectives and outcome objectives at sequential points in the program process. Linked-process case studies also provide opportunities for describing contextual conditions and assessing their effects on program activities and results. The linked-process design is well suited to the SIP environment, and will allow the utilization of multiple data sources, both qualitative and quantitative, to draw well-supported inferences.

To assess whether SIP activities have strengthened prevention outcomes in specific school supervisory unions or in specific target populations served in sub-recipient areas, the Vermont evaluation will employ two major methodologies. First, using the school supervisory union as unit of analysis, comparative analysis of the relation between changes in funding streams, program strategies, or program capacity and changes in social indicators of outcomes will be conducted. Second, using individual recipients of family or youth services within the appropriate sub-recipient networks, a multiple site quasi-experiment will be designed and implemented.

b. Application of qualitative and quantitative evaluation approaches to document the processes and outcomes of the project. The comprehensive statewide plan.

Qualitative information for four major areas below will be collected to document and assess the implementation and performance of the program. The information will be collected through observation, interview, focus groups and analysis of meeting minutes. A complete documentation of the project activities and accomplishments will provide data to monitor program progress, document decision-making and a basis for timely formative evaluation feedback. Evaluation staff will conduct interviews with key administration staff members from AHS, Department of Education, the Department of Health. A sample of active stakeholders in state level and sub-recipient communities will also be interviewed. Questions, to be developed with input from all stakeholders will ask such things as knowledge of the SIP initiative, observed changes, perceptions about the state of prevention in Vermont and other issues about the delivery of prevention and attitudes toward drugs and alcohol in the community. The evaluation team will also observe and monitor the activities of the Advisory Council.

To document and assess the implementation and performance of the Vermont SIP initiative, evaluation activities will be organized in four major areas.

(a) Documentation and assessment of 1) the development and functioning of the state level SIP; 2) the influence of SIP on interactions, coordination, and activities in the state level network (including the prevention specialists); and 3) the influence of SIP on coordinating, funding, and guiding of local efforts by each of the relevant state agencies.

(b) Establish the changes in the state prevention arena in three ways 1) provide annual profiles of prevention capacity, effort, and outcomes to the school supervisory unions; 2) document and assess local responses to the SIP initiative; and 3) assess SIP influences on local capacity and prevention outcomes through trend analysis of annual reports.

(c) Monitor the implementation of the sub-recipient component of the Vermont SIP initiative in three steps: 1) document the selection of statewide sub-recipients in the youth, family, and community areas; 2) document their plans for facilitating SIP impact in their prevention domain; and 3) document and assess the implementation of those plans.

(d) Document and assess the impact of the SIP effort on local prevention programs and outcomes through 1) documenting the exposure to SIP and the influence on activities of local sub-recipients selected and funded in the youth, family, and community areas; 2) documenting the exposure to SIP and the influence on activities of local prevention programs funded through other state agencies in the SIP network; and 3) documenting the effectiveness of sampled sub-recipient programs through comparison group studies of participating youth.

In addition, assessments of the development of the Vermont comprehensive prevention strategy will address the following questions: Are citizens involved in the development, oversight of the process? How have policies and procedures been modified, gaps identified, how comprehensive is the prevention strategy, organization and function of the Advisory Council. Are the citizens of the state receiving programs to increase knowledge, skills and direct involvement of youth parents and other caregivers, family schools, workplace and community at large?

The quantitative assessment of outcomes are based on the YRBS, which has been administered bi-annually since 1985. The YRBS provides responses of students in grades 8-12 (with 75% participation rate among schools in the 1997 sample) to measure injuries, violence, and safety (participation in fighting, use and fear of weapons, vehicle safety, suicide ideation and attempts), use of alcohol, tobacco, and drugs, sexual behavior, body weight and nutrition, physi-

cal activity and gambling. Because the survey is based on multiple measurements over time, the state monitors the relative rate of use in comparison with previous years as well as in comparison to national trends. The positive psychometric characteristics of the YRBS has been established. However, this assessment program is also particularly useful because the results can be disaggregated to reflect school and community level changes in indicator variables.

The survey provides an excellent opportunity to monitor appropriate indicator variables. The YRBS data facilitates the assessment of substance use, including marijuana, as can many of the untoward consequences of ATOD use (i.e., risky sexual behavior, violence) and attitudes toward drugs and alcohol.

If the State Incentive program is successful, it should have an impact on the trends in substance abuse across the state not just because of local efforts, but because of a unity of vision at the state level. This evaluation process will examine the trends in terms of the events of the SIP and other detectable measures. The YRBS data provide a common impact measure that will show both statewide progress and, with disaggregation of data, local site progress. The data can be disaggregated to the level of supervisory unions or even school so that we can examine the extent of influence of the several types of interventions on the indicator variables within each community. This portion of the analysis is discussed in the following section.

However, the overall positive change in substance abuse across the state will be muted by the combination of communities that do and do not respond to the re-grant RFA. Consequently a separate analysis, comparing the indicator variables exhibited by the communities that have and have not participated as sub-recipients. This effect could be biased by self-selection. A weighting for self selection will be determined by partialing out the differences in indicator variables between communities that did and did not apply with the differences between those that did and did not win a sub-recipient award. The resulting weighted differences between the communities that did and did not participate as sub-recipients will provide an unbiased estimate of the effects of the SIP sponsored programs on the statewide outcomes. Thus, the data will be analyzed in an HLM procedure to detect the differences among the three groups (those who applied and were funded, those who applied and were not funded and those that did not apply).

In the current study, the baseline has already been collected in April, 1997 and a follow-up assessments will be collected in April, 1999 and just after completion of the project in April, 2001. The state will continue to analyze the data and will be able to detect the expected trends showing a decline in substance abuse and reflect responses to attitude questionnaires indicating a lowered community tolerance for substance abuse. These follow-ups will occur on a biennial schedule after the project is completed.

c. Application of qualitative and quantitative evaluation approaches to document the process and outcomes of the sub-recipient projects.

In order to assure compatible and consistent data, the sub-recipient project evaluations will be managed in a cooperative agreement arrangement among sub-recipients, the Governor's Cooperative Agreement Advisory Council, and the statewide evaluator. That is, each local project will include a part-time local evaluator in their staffing pattern. The local evaluator will be trained and supervised by the statewide evaluation team, including the project evaluator. They will be taught to administer the common statewide assessments of sub-recipients (local assessments will include a minimum data set and any added assessments they feel appropriate), observe and record events in the community and the project, and collect dosage data (for direct

service projects) or program event data for media focused interventions (e.g. attendance at a rally, number of posters placed in the community). All projects will be evaluated on the same criteria with modifications to adapt the evaluation to the specific conditions of the local evaluation. This is appropriate because the goals of all projects are the same: delay onset of substance use, educate the community, parents, youth, schools, workplace on the dangers of drug use, especially marijuana. The local evaluators will be assisted in data entry and analysis by the statewide evaluation team, and then, with state assistance, generate and present local evaluation feedback to the community.

The strategy of centrally controlled sub-recipient evaluations will make it possible to have more powerful evaluations of the programs and interventions in the SIP initiative. The effect of the sub-recipient programs is difficult to detect because of statistical power problems from small numbers of participants. Further, the statewide evaluation will take advantage of the larger number of participants to examine the efficacy of different types of interventions (including such dimensions as indirect-media vs. direct youth intervention; resiliency enhancement-skill building vs. risk reduction-supply reduction) to determine whether there are optimal intervention styles.

A qualitative process evaluation of each site will be conducted in site visits designed to accomplish the following:

- To: determine the nature of organization (stability, investment in prevention, staffing quality and characteristics);
- Observe programs and informal interviews with staff and youth to determine whether program as implemented is consistent with the program as proposed;
- Collect minutes of meetings to monitor the extent of local community member participation.

Programs will also be classified according to whether they are as direct or indirect, focus of intervention and other significant characteristics. A separate analysis of outcomes will be conducted across sites to establish the relative success of interventions in Vermont.

The sub-recipient quantitative program outcomes will be implemented in two forms. For immediate outcomes, youth who are directly affected by the intervention (e.g. participate in a positive recreation program) will be assessed on a pre- and post test basis. When they are enrolled they will complete a questionnaire that includes substance abuse items from the YRBS as well as measures of risk, resiliency and attitudes toward substance use. The instrument will be developed under the auspices of the Advisory Council and will include many items already developed and tested in the current CSAP cross-site evaluation of high risk youth or a similar project. These data will be used to determine the level of change within the community and to connect changes in program affected youth with changes in the impact level measured by the full YRBS. To assess the state-level impact of the sub-recipient programs the 1997-1999 changes in the YRBS data for each sub-recipient will be compared with a matched set of sites that are not sub-recipients (adjusting for intent to participate).

Quantitative process data for direct programs will be collected in the form of dosage data. That is, when programs involve direct services to youth, each contact is noted for each individual child, recording length and nature of the contact. Indirect programs will document each effort provided (e.g. number of radio spots issued). A sample of youth will be drawn from the community to determine whether they were impacted by the efforts (e.g. heard the radio spots).

The sub-recipient local survey data will be connected with the overall YRBS results through the common items. Since the YRBS is an anonymous survey, we will compare local YRBS sub-

recipient assessments with the 1997 baseline YRBS to determine whether the sub-recipient program participants are more or less at risk than their classmates and their relative position to state norms. Similarly, the 1999 sub-recipient program participant post-tests will be compared with the 1999 YRBS scores to determine whether the youth are more or less at risk than their classmates. Further, changes in reported substance abuse in the sub-recipient survey will be compared with changes the YRBS substance abuse changes. If the sub-recipient intervention has been effective, then the sub-recipient survey should show more positive change in substance use than does the YRBS.

This approach also allows comparison of the effectiveness of sub-recipient program types. Programs will be evaluated in terms of the components they have chosen to use or the groups they have chosen to target, based on local needs assessments. The distinction between direct versus indirect interventions can be compared on YRBS outcomes as well as on sub-recipient local assessments. Further, direct interventions that focus on skills building could be compared with those that emphasize positive recreation. Specific analyses used will depend on the programs offered by sub-recipients.

It is assumed that at least 1400 youth will participate in direct prevention services. This estimate is approximately 20% of the 1995 YRBS survey. The evaluation budget allows for up to \$10 incentive per sub-recipient survey received. These funds will be applied to particularly difficult sites to encourage youth participation in the local survey and have a representative sample of youth receiving interventions. Sub-recipients will be assisted in developing strategies to ensure that the samples are representative. The incentives will be provided in the form of prizes or "pizza parties" at which youth complete the local survey.

d. Data Collection and Analysis

Statewide

Data collection for will involve a mix of qualitative and quantitative methods focused primarily on the following.

- Observation of SIP related meetings. The evaluation team, with input from the participating SIP staff, will develop a "meeting observation form" that will accommodate consistent and complete documentation for the project. A member of the evaluation team will complete the form which will document attendance and participation, items discussed, issues raised and degree of consensus and conflict and decisions made and actions taken.
- Agency Questionnaires/Interviews will be conducted by the evaluation team. Written surveys will be collected to gather information on agency participation in and orientation to SIP; procedures for incorporating SIP decisions into the agency's decision making process, degree of agency commitment to SIP, methods of incorporating SIP objectives/influence into agency actions; and satisfaction/suggestions concerning SIP actions/proceedings. The questionnaires will be appropriate to each phase of the process.
- Document Review of all data generated by SIP will be conducted by the evaluation team. All documents communiqués generated regarding SIP will be captured by the evaluation team.

- Key Informant Interviews/Focus Groups will be used to document the development and progress of the overall SIP plan and implementation, including the identification of barriers and successes.

Analysis. The SIP will be an evolving project that requires an analytical approach oriented to comprehensive documentation of a dynamic situation. To accommodate this analytic need, the evaluation will use a "periodic journal" approach to collating and synthesizing information. This approach combines the need for systematic documentation and categorization of central issues with the need for open and flexible analysis in a dynamic setting. Through this approach, the evaluator will prepare periodic "journal reports" that include, at minimum: a) summaries of all relevant SIP meetings (based on observation forms and review of minutes); b) a summary of activities engaged in by staff assigned to sip; c) a summary of activities relevant to SIP in participating agencies; d) a summary of external communications/interactions in the state; e) a summary of major relevant activities or events sponsored by or involving state level SIP; f) a summary of implementation progress through planned activities to date; and g) a summary of major issues confronting SIP during the period, and of actions taken to address the barriers. This journal will be prepared on a monthly basis in phases one and two, and quarterly thereafter. It provides a dynamic and practical intermediate step for collating and synthesizing qualitative data to be used in combination with quantitative records analysis (e.g. trends in funding activities) to provide a comprehensive assessment of state level SIP activities, barriers and accomplishments.

Dissemination. Journal reports and additional data will be used to prepare brief written and oral implementation progress reports to be delivered by the evaluation representative at each Advisory Council meeting. Written implementation progress reports will be prepared and submitted to ADAP on a monthly basis in phases one and two and quarterly thereafter. At the end of phases one and two, reports that clarify the evolving statewide SIP model will be prepared and submitted to ADAP along with updated evaluation designs and implementation plans.

Sub-recipient

Data Collection for this component will also include both qualitative and quantitative approaches. Sub-recipient level data will be collected in one day site visits. The evaluation team will use a standard protocol that will collect information on program activities and the ways in which SIP inputs have shaped those activities. The programs will also be classified on the basis of direct versus indirect youth involvement, type of prevention interventions used (e.g. informational/educational, positive recreation, academic/vocational support, targeted skills development, social and emotional support), and methods of service delivery (e.g. groups, individual). The Governor's Advisory Council and Vermont Coalition will assist in the development of the categories.

A local data collector, drawn from the sub-recipient community and working on site, will administer the common sub-recipient survey at the beginning of the program and at the end of program participation. It is anticipated that there will be a minimum of 1400 cases in this data set.

Analysis of the YRBS and the local sub-recipient level data will be subjected to an HLM statistical procedure. This regression based approach will allow us to address issues of skewness in outcome, flexibility in defining the model and is compatible with newly developed techniques

to address nested samples and repeated measures, such as HLM. This statistical procedure will accommodate the combined analyses of dosage data with outcome measures. Individual analyses of sub-recipient changes will be analyzed in a one group setting, partitioning by type of program and other comparisons determined to be of interest by the sub-recipients, the Advisory Council and Prevention Coalition and ADAP staff. The YRBS data will be used to assess the impact of the SIP on statewide substance abuse levels. In addition to an overall statewide difference analysis, we will also conduct a comparison of sub-recipient versus non sub-recipient units (school or communities) to determine differential outcomes as a result of SIP sponsored interventions.

Dissemination of these results to the Advisory Council will follow the same pattern as with state level information. During implementation of sub-recipient projects, in the second year, the evaluation team will provide a monthly report of all sites progress in organizing and implementing the project and its evaluation. Multi-site issues will be resolved by the Advisory Council. Annual interim reports and the final report will include the YRBS and sub-recipient survey data, analyses and interpretations. In the final year, a complete report, relating processes and outcomes, establishing the evolution of the SIP process and the impact on the state will be featured.

e. Cooperative Agreements and CSAP cross-site evaluation.

Craig Love and E.M.T., who assisted in preparation of this evaluation plan, are already involved in a major CSAP cross-site evaluation is eager to participate in a cross-site evaluation of SIP programs. They also understand that this is a cooperative agreement, and look forward to working with CSAP staff in finalizing the proposed project. For example, it is understood that this project might be tied into the national public education campaign. It will be important to the project that that project be incorporated into the planned evaluation of the proposed SIP.

f. Evaluator Selection

The evaluation team will be selected through the Vermont bidding system. Criteria for selection process should have the qualifications similar to those indicated below. Vermont will use these characteristics as basic criteria for selecting an evaluator.

1. Experience conducting at least one national level cross-site (or other multi site) evaluation;
2. Experience in conducting at least three different types of prevention activities such as community partnerships, high risk youth, or criminal justice programs;
3. Experience in program development and evaluation for minority groups appropriate to Vermont's minorities, including Native American, Hispanic, and African American;
4. The lead evaluator must have an advanced degree, and at least 10 years evaluation experience;
5. The evaluator must be experienced in and willing to continue working with the client in developing the project and provide timely and meaningful feedback to the program staff, the Governor's Advisory council and other state entities determined by ADAP;
6. The evaluation team must have a demonstrable capacity to disseminate information both within the Vermont community and in the appropriate professional literature; and
7. The evaluation team must have a demonstrable capacity to work with a variety of communities and share data and other information.

D. Literature Citations

- Bray, Robert M., et al. Use of Alcohol and Illicit Drugs and Need for Treatment Among the Vermont Household Population: 1995. Vermont Department of Health, 1997.
- Callahan, M.M., Benton, S.J. and Bradley, F.O. Implementing a drug prevention program: A comprehensive case study of two rural Kansas schools. *Journal of Alcohol and Drug Education*, 18(1), 26-48. 1995.
- Carmona, Maria and Kathryn Stewart. *A Review of Alternative Activities and Alternatives Programs in Youth-Oriented Prevention*. CSAP Technical Report--13. SAMHSA: Washington, D.C., 1996.
- Cohen, D.A., and Linton, K.L.P. Parent participation in an adolescent drug abuse prevention program. *Journal of Drug Education*, 25(2). 159-169, 1995.
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- Hawkins, J.D., Catalano, R.F., and Miller, J.Y. Risk and protective factors for alcohol and other drug problems in adolescence and early adulthood: Implications for substance abuse prevention. *Psychological Bulletin*, 112(1), 64-105. 1992
- Jessor, R., Van Den Bos, J., Vanderryn, J., Costa, M.F., et al. Protective factors in adolescent problem behavior: Moderator effects and developmental change. *Developmental Psychology* 31(6). 923-933. 1995.
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- Malvin, J.H., Moskowitz, J.M., Schaps, E., and Schaeffer, G.A. Evaluation of two school-based alternatives programs. *Journal of Alcohol and Drug Education* 30(3). 98-107. 1985.
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- Morehouse, E.R. *A Study of Westchester County's Student Assistance Program: Participants' Alcohol and Drug Abuse Prior to and After Counseling during the School Year 1982-1983*. Unpublished report, 1984.
- Nelson-Simley, K., and Erickson, L. The Nebraska "Network of Drug-Free Youth" program. *Journal of School Health*, 65(2). 49-53, 1995.
- Third Report to Congress on Alcohol and Other Drug Abuse Prevention. The National Structured Evaluation*. U.S. Department of Health and Human Services, CSAP, undated.
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- Springer, J. Fred and Phillips, J.L. Can communities take charge: Merging evaluation findings from community partnerships. Paper delivered at International Congress on Alcohol and Addictions, Hamburg, German. August, 1994.
- Worden, John K., Dorwaldt, Anne L., and Geller, Berta M. Perceptions of middle school students about youth alcohol use. Unpublished paper, undated.

3.2. (2)



Mailing Address:
1 Baldwin Street
Drawer 33
Montpelier, Vermont 05633-5701

Tel.: (802) 828-2295
Fax: (802) 828-2483

STATE OF VERMONT
JOINT FISCAL COMMITTEE
1 Baldwin Street
Montpelier, Vermont 05633-5701

MEMORANDUM

To: Joint Fiscal Committee Members

From: Maria Belliveau *MB*

Date: November 4, 1997

Subject: JFO # 1786 -Grant from the U.S. Department of Health and Human Services to the Agency of Human Services, Department of Developmental and Mental Health Services

The Agency of Human Services, Department of Developmental and Mental Health Services requests approval to accept a \$561,637 grant from the U.S. Department of Health and Human Services to support efforts to ensure that children under the age of six who are at risk of experiencing severe emotional disturbance (SED) have access to behavioral health and other community based services. The duration of the grant is five years for a total of \$6,941,018. Subsequent years funding will be included in the appropriations bill.

This Department of Developmental and Mental Health Services grant was sent to the Joint Fiscal Office after the Office's deadline for mailing grants to Committee members for review. Due to tight time constraints there is not enough time for staff of the Joint Fiscal Office to do an in-depth analysis of the grant. There will be officials from the Administration at the Joint Fiscal Committee meeting to answer questions associated with this grant.

STATE OF VERMONT
GRANT ACCEPTANCE FORM

IF# 1786

GRANT SUMMARY

DATE: October 29, 1997

DEPARTMENT: Agency of Human Services/ Department of Developmental & Mental Health Services

GRANT/DONATION: Children's Upstream Services (CUPS)

GRANTOR/DONOR: U.S. Department of Health and Human Services
Public Health Service
Substance Abuse and Mental Health Services Administration
Division of Knowledge Development and Systems Change
5600 Fishers Lane
Rockville, Maryland 20857

AMOUNT/VALUE: \$561,637 federal funds in FY 1998
Grant runs for five years at a total value of \$6,941,018 federal funds. Funds in FYs 1999 through FY 2002 will be contained within the Department's appropriation request.

POSITIONS REQUESTED (LIMITED SERVICE):

None

COMMENTS:

The CUPS grant is a five year \$6.9 million project targeted at families of the under 6 population who are at risk of experiencing severe emotional disturbance (SED). The project aims to ensure access to behavioral health and other community-based services. The project will strengthen local interagency coordination and case review across the systems of care. The program is modeled on the successful ACCESS/family Preservation Initiative, but is targeted at a younger population.

Services will be coordinated through state team (Director of Child, Adolescent and Family Unit, Project Director, State Interagency Team Director, etc.) and regional teams which may include some or all of the following: community mental health centers, child care centers, parent child centers, etc. Required match for the grant is already budgeted within the Department's FY 1998 budget.

DEPT. FINANCE AND MANAGEMENT: (INITIAL) AKH
SECRETARY OF ADMINISTRATION: (INITIAL) AKH
SENT TO JOINT FISCAL OFFICE: (DATE) 11/4/97



NOV 4 1997

STATE OF VERMONT
REQUEST FOR GRANT ACCEPTANCE
 (use additional sheets as needed)

RECEIVED OCT 20 1999
 missing information - sent by

FORM AA-1
 (Rev.9.90)

1. Agency: Agency of Human Services
2. Department: Department of Developmental & Mental Health Services
3. Program:

4. Legal title of Grant: Children's Upstream Services (CUPS)

5. Federal Catalog No.: 93.104

6. Grantor and Office Address: Child, Adolescent, and Family Branch
 Division of Knowledge Development and Systems Change
 Center for Mental Health Services/SAMHSA
 Room 18-49, Parklawn Building
 5600 Fishers Lane
 Rockville, MD 20857

7. Grant Period: From: 09/30/97 To: 08/31/02

8. Purpose of Grant: (attach additional sheets if needed)

Vermont will demonstrate the significance of enhancing and expanding the system of care for [school-aged] children and adolescents who are experiencing severe emotional disturbance and their families, by offering behavioral health treatment and consultation for young children aged 0-6 and their families and by linking with the early childhood system of care.

9. Impact on Existing Programs if Grant is not Accepted: None

10. Budget Information: (1st State FY) (2nd State FY) (3rd State FY)
 FY 1998 FY 1999 FY 2000

EXPENDITURES:

Personal Services	\$ 142,414	\$ 309,563	\$ 387,935
Operating Expenses	\$ 12,000	\$ 12,000	\$ 12,000
Other	\$ 407,223	\$ 914,778	\$1,000,000
TOTAL	\$ 561,637	\$ 1,236,341	\$1,399,935

REVENUES:

State Funds

Cash

In-Kind

Federal Funds:

(Direct Costs)	\$ 550,444	\$ 1,211,614	\$1,371,936
(Statewide Indirect)	\$	\$	\$
(Department Indirect)	\$ 11,193	\$ 24,727	\$ 27,999

Other Funds:

	\$	\$	\$
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TOTAL \$ 561,637 \$ 1,236,341 \$1,399,935

Grant will be allocated to these

Appropriation expenditures accounts:

Appropriation Nos. Amounts

0103520201	\$ 131,221
0103520202	12,000
0103520206	407,223
0103520101	11,193

11. Will grant monies be spent by one or more personal service contract?

YES No

If YES, signature of appointing authority here indicates intent to follow current guidelines on bidding.

Paul Depelens

12a. Please list any requested Limited Service positions:

Titles	N/A	Number of Positions

12b. Equipment and space for these positions:

Is presently available.
 Can be obtained with available funds.

13. Signature of Appointing Authority

I certify that no funds have been
Expended or committed in
Anticipation of Joint Fiscal
Committee approval of this grant.

Paul Depelens 10/8/97
(Signature) (Date)

Commissioner
(Title)

14. Action by Governor

Approved
 Rejected

M. Dear 10/14/97
(Signature) (Date)

15. Secretary of Administration

Request to JFO
 Information to JFO

(Signature) (Date)

16. Action by Joint Fiscal Committee:

(Dates)

Request to be placed on JFC agenda
 Approved (not placed on agenda in 30 days)
 Approved by JFC
 Rejected by JFC
 Approved by Legislature

(Signature) (Date)

1 DATE ISSUED 09/29/97 2 COUN ID 93.104
 3 FUNDING SOURCE
 4 PROJECT NUMBER 1 HSS SMS2151-01 5 ADMINISTRATIVE CODE SM-HSS / CH
 6 FROM DATE 09/30/97 THROUGH DATE 08/31/02
 7 FROM DATE 09/30/97 THROUGH DATE 08/31/98

DEPARTMENT OF HEALTH AND HUMAN SERVICES
 PUBLIC HEALTH SERVICE
 SUBSTANCE ABUSE AND MENTAL HEALTH SERVICES ADMINISTRATION

NOTICE OF GRANT AWARD
 AUTHORIZATION (Application/Regulation)
 SEC 504 OF THE PHS ACT
 COMMUNITY-BASED MENTAL HEALTH SERVICES

1 TITLE OF PROJECT OR PROGRAM AS APPLIED TO 54 GENERAL CHILDREN'S UPSTREAM SERVICES (CUPS)

3 CONTACT NAME AND ADDRESS
 VERMONT STATE DEPT/DEVELOP & MH SRVS
 103 SOUTH MAIN STREET
 WATERBURY, VT 05671-1601
 WATERBURY VT 05671-1601

15 DIRECTOR OF PROJECT (SPECIAL DIRECTOR/PROGRAM OFFICER) (LAST NAME FIRST AND ADDRESS)
 BISS, CHARLES M
 VT STATE DEPT OF MH AND MR
 103 SOUTH MAIN STREET
 WATERBURY, VT 05671-1601

11 AMOUNT BUDGET AUTHORITY THIS DIRECT ASSISTANCE

1 PHS Grant Total Amt	
2 Total project with including grant funds and all other funded resources	I
Select one and circle NUMERICAL in box 1	
a. Salaries and Wages	0
b. Fringe Benefits	0
c. Total Personnel Costs	0
d. Consultant Costs	0
e. Equipment	0
f. Supplies	0
g. Travel	12,000
h. Patient Care - Inpatient	0
i. - Outpatient	0
j. Alterations and Renovations	0
k. Other	0
l. Construction/Construction Costs	646.132
m. Training Related Expenses	0
n. Training Salaries	0
o. Training Tuition and Fees	0
p. Training Travel	0
q. TOTAL DIRECT COSTS	658,132
r. INDIRECT COSTS	13,431
s. TOTAL APPROVED BUDGET	671,563
t. PHS Share	671,563
u. Non-Federal Share	

12 BUDGET COMPARISON FOR FINANCIAL ASSISTANCE

1 Amount of PHS Financial Assistance from Title I	\$ 671,563
2 Less Unobligated Balance from Prior Budget Periods	0
3 Less Carryover from Approved Title Budget Period	0
4 BALANCE OF FINANCIAL ASSISTANCE THIS ACTION	\$ 671,563

13 RECEIVING SYSTEM BUDGET SUBJECT TO THE COMPLETION OF WORK AND SATISFACTORY PROGRESS OF THE PROJECT

YEAR	TOTAL DIRECT COSTS/STIPEND
02	1,349,296
03	1,410,063
04	1,135,773

14 APPROVED DIRECT ASSISTANCE BUDGET BY YEAR BY FISCAL YEAR

1 Amount of PHS Direct Assistance	\$
2 Less Unobligated Balance from Prior Budget Periods	\$
3 Less Carryover from Approved Title Budget Period	\$
4 AMOUNT OF DIRECT ASSISTANCE THIS ACTION	\$ N/A

15 PROJECT BUDGET SHARE TO OR FOR RESEARCH SUPPORT, OR FOR OTHER USE SHALL BE MADE IN ACCORD WITH ONE OF THE FOLLOWING ALTERNATIVES. (Check one and PHS LETTER IN BOX)

a. REDUCTION	
b. ADDITIONAL COSTS	
c. MATCHING	B
d. OTHER RESEARCH AND SUPPORT	
e. OTHER USE	

16 THE AWARD IS MADE ON AN APPLICATION SUBMITTED TO AND AS APPROVED BY THE PHS ON THE ABOVE TITLED PROJECT and is SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED HEREIN DIRECTLY OR BY REFERENCE IN THE FOLLOWING:
 a. The grant program legislation cited above.
 b. The grant program regulation cited above.
 c. The grant award solicitation terms and conditions in effect as of the beginning date of the budget period.
 d. PHS Grant Award Statement including addenda in effect as of the beginning date of the budget period.
 e. 48 CFR part 26.20 or 48 CFR part 92.00, as applicable.
 f. To the extent that the applicant is required to provide financial support, the grant shall also include the amount of such support and shall be provided in accordance with the terms and conditions of the grant award solicitation and the grant award statement.

REMARKS (See Form and Contract Awarded) - [] Yes [] No
 FUNDING COSTS AUTHORIZED FROM 09/01/97.
 Recommended Future Support (Line 13) Reflects Total Cost (Direct+Indirect)

GMS: STEVE HUDAK (301)443-4456 PO: GARY DECAROLIS (301)443-1333
 GRANTS MANAGEMENT OFFICER LOUELLEN M. RICE (TAMU)
 GRANTS MANAGEMENT OFFICERS OPS
 41.45 1036000274AB 671563
 7C96C038 HSSMS2151A

HOWARD DEAN, M.D.
Governor



State of Vermont
OFFICE OF THE GOVERNOR
Montpelier 05609

Tel: (802) 828-3333
Fax: (802) 828-3339
TDD: (802) 828-3345

April 9, 1997

Mr. Gary DeCarolis, Chief
Child, Adolescent, and Family Branch
Division of Knowledge Development and Systems Change
Center for Mental Health Services/SAMHSA
Room 18-49, Parklawn Building
5600 Fishers Lane
Rockville, MD 20857

Dear Mr. DeCarolis:

Please accept the enclosed application from Vermont for a CMHS Child Mental Health Services Initiative grant. The entire State of Vermont is applying as one community with approximately 585,000 individuals. Vermont will demonstrate the significance of enhancing and expanding the system of care for [school-aged] children and adolescents who are experiencing severe emotional disturbance and their families, by offering behavioral health treatment and consultation for young children aged 0-6 and their families and by linking with the early childhood system of care.

As a Governor and as a physician, I am personally committed to improving the health and well-being of the children of Vermont, especially the youngest children. Prevention and early intervention initiatives are critically important to the development of the children, the satisfaction of their families, and to the wisest possible use of public and private funds. This grant application reflects these values by proposing to:

- o intervene earlier with young children who are experiencing or at risk for experiencing severe emotional disturbance, thereby increasing the number of children who arrive at school prepared to succeed;
- o "bend the curve" of the costs of treatment for [school-aged] children and adolescents with severe emotional disturbance, through prevention and early intervention programs; and to
- o strengthen family and community involvement in the development of human services and education programs, to improve their coordination and effectiveness.

This project, if funded, would strategically contribute to the health and well-being of Vermont's youngest troubled children and their families, who may need long-term behavioral health care. I have been deeply involved in state and national health care reform. Here in Vermont, the simplest and broadest health care reform we have accomplished for children has been to increase the eligibility for Medicaid services to 225% of the federal poverty level for children up to age 18 and to 200% of the poverty level for pregnant mothers. We have created a Vermont Health Access Plan to provide health care coverage for other uninsured adults with low incomes. We have also implemented an 1115 Medicaid Waiver to extend the use of integrated systems of care for managing primary care and acute behavioral health care. Long-term behavioral health care was carved-out from this Waiver and continues to be managed through the Vermont State Department of Developmental and Mental Health Services and the Office of Alcohol and Drug Abuse Programs. As a result of these health coverage modifications, more children and their parents are eligible for Medicaid services, they are enrolled in a health care plan and assigned a primary care physician, and they are more likely to receive behavioral health treatment when needed. I can assure you that this proposed project is entirely consistent with these reforms and will be thoroughly integrated with them.

The State of Vermont is eligible to apply for this grant, and I designate the Department of Developmental and Mental Health Services as the official applicant. Through the Department, Vermont receives a Mental Health Services Block Grant from the CMHS. The Department is qualified to deliver services under the State Medicaid Plan and has agreements with service provider organizations to do so. Vermont and the Department also have an approved State Mental Health Plan under Public Law 102-321. The Plan includes development of a system of care for community-based services for children and adolescents with serious emotional disturbance.

I assure CMHS that Vermont will not use the federal funds granted for this application to supplant or replace funds already committed for proposed services. Furthermore, during the life of this grant, non-federal funds will be available and allocated for the increased level of effort as described, and the proposed changes in funding streams will be allowed. The services described in this application are needed, are not yet available, and Vermont is committed to finding a way to provide the services beyond the time-frame of the grant.

Vermont has made very significant strides in recent years to better serve children and adolescents with serious emotional disturbance and their families. This application will allow us to expand what has worked well for school-aged children to our youngest children. We will cooperate with the national evaluation in order to most fully know and share with others what works. I encourage you to fund this application and use Vermont's experience as a model and source of technical assistance for other states.

Sincerely,



Howard Dean, M.D.
Governor

cc: Rod Copeland, Commissioner
Department of Developmental and Mental Health Services

Cornelius Hogan, Secretary
Agency of Human Services

Children's UPstream Services (CUPS) EXECUTIVE SUMMARY

CUPS is a five-year, \$5.7 million project to support and preserve families of young children who are or at risk for experiencing severe emotional disturbance (SED) through ensuring access to behavioral health and other community-based services designed to meet their individual needs and build on their strengths. The Vermont Department of Developmental and Mental Health Services (DDMHS) intends to provide behavioral health treatment and consultation for the early childhood system of care and for families with young children aged 0-6. Grant support will strengthen local interagency coordination and case review across the systems of care for early childhood and school-aged children and expand needed services statewide and/or locally. The CUPS project objectives include:

1. Enhancing the ability of Vermont's existing Community Partnerships to link the system of care for [school-aged] children with SED and their families, with the early childhood system of care, thereby providing more support for the behavioral health of families with young children, including their treatment teams. To ensure this, the Community Partnership in each of the 12 Agency of Human Services (AHS) districts will lead local interagency planning efforts to implement and evaluate the coordination of case reviews and the integration of services with input from parents, providers, and others familiar with the strengths and challenges of each system of care.
2. Statewide expansion of key services aimed at strengthening the behavioral health of young families and decreasing the incidence of children entering kindergarten without the emotional and social skills necessary for being active learners in school (28% in 1996): crisis outreach; intensive home-based services; respite care; intensive case management; individualized or wraparound services; and related training. The intensive case management and wraparound services will be delivered in conjunction with a planned expansion of Mental Health's Home and Community-based 1915 (c) Medicaid Waiver for children's services.
3. Expansion of other vital services based on local need and readiness: parenting education and support, family literacy, and home-(pre)school coordination, using match funds.

This project will be administered using much the same structure, process, and evaluation as has been used by DDMHS for its very successful Access Vermont/Family Preservation Initiative, but for a younger population. The DDMHS will work with the State Team for Children and Families to issue an "Invitation to Communities" to develop linkages between the system of care for [school-aged] children who are experiencing SED and the system of care for early childhood. The Invitation will emphasize the provision of services for children in integrated settings with their families

and peers. The regional Community Partnerships will respond to the Invitation by asking representatives of families, of the system of care for [school-aged] children who are experiencing SED, of the early childhood system of care, and others to participate in strategic planning sessions to prepare a plan and budget request for using these grant (and other) funds to provide the priority behavioral health treatment and consultation services. The State Team will review and approve the Community Partnership plans and budgets. Each plan must say how the Community Partnership will manage the project, and designate a fiscal agent to accept/disburse funds.

The Community Partnerships will be advised that the population which must be targeted to receive behavioral health treatment through this grant is children aged 0-6 who are or at risk for experiencing severe emotional disturbance (SED). Children must meet the Act 264 definition for being SED or evidence one or more of the following risk factors for SED:

- o being homeless;
- o living with caretakers who are unable to provide adequate care (due to poverty, substance abuse, domestic violence);
- o having been abused physically, sexually, or emotionally;
- o abusing alcohol or other substances;
- o experiencing a chronic and serious or life-threatening health situation;
- o having an immediate family member who has a severe and persistent mental illness;
- o multiple out-of-home placements.

Furthermore, the children must have service needs involving two or more community agencies, such as child care and mental health. The Community Partnerships will develop plans to provide priority behavioral health services to this population and their families.

Though Vermont's community mental health centers (CMHCs) serve nearly 5% of all children, they serve only about 1.5% of children aged 0-6. Currently, only as children enter preschool, kindergarten, and first grade are they identified as in need of mental health or other services. This barrier to early service delivery interferes with helping children and their families when the children are infants or toddlers and at home or in child care settings. The CUPS project will overcome this barrier by increasing the number of mental health staff available and trained to work with the early childhood system of care to identify and serve families with young children.

The DDMHS will ensure that cross-training occurs for the service providers within the two [school-aged and early childhood] systems of care to share their approaches to treatment team planning and their perspectives about family involvement and advocacy, parent-provider partnerships, and the integrated delivery of services. Cross-training and supervision will also be available for the service providers, parents, and others about infant and toddler mental health, substance abuse prevention and treatment, and intervention with domestic violence.

Children's UPstream Services (CUPS) Project Abstract

The Children's UPstream Services (CUPS) project goal is to support and preserve families of young children experiencing or at risk for experiencing severe emotional disturbance through insuring access to behavioral health and other community-based services designed to meet their individual needs and build on their strengths. The Vermont Department of Developmental and Mental Health Services intends to provide behavioral health treatment and consultation for the early childhood system of care and for families with young children aged 0-6. Grant support will strengthen local interagency coordination and case review across the systems of care for early childhood and school-aged children and expand needed services statewide and/or locally. The Children's UPstream Services (CUPS) project objectives include:

1. **Enhancing the ability of Vermont's existing Community Partnerships to link the system of care for [school-aged] children with severe emotional disturbance and their families, with the early childhood system of care, thereby providing more support for the behavioral health of families with young children, including their treatment teams.** To ensure this, the Community Partnerships will lead local interagency planning efforts to implement and evaluate the coordination of case reviews and the integration of services with input from parents, providers, and others familiar with the strengths and challenges of each system of care.
2. **Statewide expansion of key services aimed at strengthening the behavioral health of young families and decreasing the incidence of children entering kindergarten without the emotional and social skills necessary for being active learners in school: crisis outreach; intensive home-based services; respite care, intensive case management; individualized or wraparound services; and related training.** The intensive case management and wraparound services will be delivered in conjunction with a planned expansion of the Vermont Mental Health Home and Community-based 1915 (c) Medicaid Waiver for children's services.
3. **Expansion of other vital services based on local need and readiness: parenting education and support, family literacy, and home-(pre)school coordination, using match funds.**

CUPS TABLE OF CONTENTS

Face Page: Application for Federal Assistance (Form SF424)	1
Abstract	2
Table of Contents	3
Budget Pages (Form SF424A)	4
Program Narrative:	
I. Understanding the Proposed Project	6
II. Project Plan	11
Implementation Plan	
Infrastructure Development	
Target Population	
Proposed Approach to Services Integration	
Service Program Components	
III. Evaluation Support Plan	30
IV. Management Plan and Staffing	31
V. Budget Justification/Existing Resources/Other Support	36
VI. Biographical Sketches/Job Description	45
VII. Confidentiality/SAMHSA Participant Protection	59
Appendices:	
Appendix 1: *Memoranda of Understanding for Services/Evaluation	66
Appendix 2: Health Coverage Modification Plans/Governor's Assurance	75
Appendix 3: *Rapid Award Certification	79
Appendix 4: *Letters of Coordination/Support	80
Appendix 5: Letter(s) to SSA(s) [Not Applicable since applicant is SSA]101	
Appendix 6: Non-Federal Match Certification	102
Appendix 7: Literature Review Citations	106
Appendix 8: Organizational Structure/Timelines/Staffing Patterns	108
Appendix 9: *Data Collection Instruments/Interview Protocols	111
Appendix 10: *Sample Consent Forms	201
*Assurances - Non-Construction Programs	213
*Certifications	215
*Checklist Page	221

*Not included in this copy; available upon request from the DDMHS Child, Adolescent and Family Unit (802) 241-2650.

CUPS PROGRAM NARRATIVE

I. Understanding the Proposed Project

- o A description of the target populations' mental health issues and how an integrated system of care can address these needs as documented by a review of the pertinent literature.*

In 1996, parent representatives from the Vermont Federation of Families for Children's Mental Health and the Family, Infant and Toddler Project (Part H) convened a cross-disciplinary Task Force to Address Mental Health Issues for Young Children and Their Families. One of the first actions of the Task Force was to identify the mental health issues of young children and their families in Vermont. This was done by sending a questionnaire to 240 early childhood service contacts in a Department of Education (DOE) mailing list. Sixty-one responses (25% of the total) were received by the requested deadline. These replies are summarized below:

A tally of answers to the question: "What kind of mental health issues do you experience or encounter among the families and young children whom you serve?" produced the following findings: The predominant encountered among the parents are depression, substance abuse, domestic violence, post-traumatic stress disorder or other after-effects from prior abuse, lack of parenting skills or understanding, stress (especially from poverty), anxiety, and grief from loss. The predominant issues encountered among young children are physical, sexual, and/or emotional abuse and neglect; depression, aggression, unspecified behavioral and emotional and learning problems, attention deficit and hyperactivity disorders, attachment disorders, and developmental disorders including autism.

A tally of existing resources and expertise to address these mental health issues included: Mental health professionals and agencies, including private therapists, were listed far more frequently than other resources for dealing with these issues. Other resources frequently used are physicians, psychologists, school guidance personnel, parent child care centers, Early Essential Education (EEE), Early Education Initiative (EEI), Family Support Child Care, Head Start, Part H, Intensive Family-Based Services, Parent Educators, and support groups like Al-Anon and Parents' Anonymous.

A tally of answers to the questions: "What resources or training are missing and needed to address the mental health issues of families with young children? What services or training would you like to provide if you had the resources?" produced the following findings: The most desired services are parenting education and support and respite care, followed closely by counseling (long-term if necessary) and information about mental health services for parents. On-site mental health consultation and mentoring are desired for child care centers, as well as training in mental health issues for the staff of various agencies. Also needed are more mental health staff who are trained in family-centered practices for families with children 0-3.

The mental health issues identified by this Task Force are consistent with the concerns and research discussed by Jane Knitzer in her chapter about "Meeting the Mental Health Needs of Young Children and Their Families" in a book about Children's Mental Health: Creating Systems of Care in a Changing Society (Stroul, ed. 1996). Knitzer mentioned concerns about serious and challenging behaviors and needs of children in early childhood settings; multiple and complex needs of families affected by substance abuse, mental illness, or chronic depression; helping children and families cope with familial and community violence; the mental health of child care staff; as well as research about risk and protective factors and

strengthening parent-infant relating. The desired services identified by Vermont's Task Force are also consistent with Knitzer's identification of both parents and consultants for child care staff as important change agents for improving young children's mental health. However, in describing the context for the implementation of desired services or promising program strategies, Knitzer (1996) states that:

"From a policy perspective, meeting the mental health needs of young children and families has had no ownership; it has not been part of anyone's policy agenda - not mental health systems, not child care programs, not family resource networks.... Yet each of these networks is increasingly alleging concern about the mental health and well-being of young children and families, setting the stage for a policy partnership and targeted effort."

Knitzer considers the Children's Mental Health Services (CMHS) System of Care Initiative (this Guidance For Applicants) to be one of four federal opportunities for building such a partnership. The other federal opportunities are Medicaid, Part H, and child care (including Head Start) quality improvement funds (Knitzer, 1996). These opportunities are the building blocks for this proposed effort by Vermont to enhance the current system of care for [school-aged] children who are experiencing severe emotional disturbance (SED) to more effectively include families with young children and the early childhood system of service providers.

- o *A description of the potential significance of the proposed project, especially in relation to other ongoing or planned State or local service improvement initiatives.*

The Children's UPstream Services (CUPS) project would provide a connecting link which has been missing in Vermont between the child care and family resource networks and the system of care for children who are experiencing SED. The system of care for children who are experiencing SED in Vermont was codified in law in 1988 as Act 264, which gives eligible children the right to a coordinated services plan and mandates the existence of a State Interagency Team (SIT) and Local Interagency Teams (LITs). The required members of these teams include representatives from mental health, child welfare, special education, and families. Vermont's system of care is meant to serve all children and adolescents aged 0-22 who are experiencing, or who are at risk for experiencing, SED. In reality, it tends to mostly serve school-aged children; children who have not yet reached school age are infrequently served by the system of care. This is in part because young children are not as visible to mental health, child welfare, and special education providers as school-aged children, who must be in school. While this system of care was being built over the last decade, services were also being developed for young children and their families through the child care and family resource networks in Vermont. Some of the more notable are:

- o In each Agency of Human Services (AHS) district, parent-child centers were funded; child care resource and referral and training projects were established; Part H (Special Education for ages 0-3) was planned and implemented using Community Resource Parents;
- o Each school district was required to offer kindergarten; federal funding for EEE (Special Education for ages 3-5) was integrated with new State funding for the EEI (for at-risk children aged 3-5), and both were integrated with child care centers and preschools;
- o The State Medicaid Plan was amended to allow parent-child center staff to bill Medicaid for targeted case management and, if the staff are certified Early Interventionists, for developmental therapy for 0-3 year-olds who lack expected normal physiological development or show a developmental speech or language disorder; and
- o Early Head Start was added to three of the five Head Start programs.

In the midst of this growth in early childhood services, the Vermont Legislature in 1990 passed Act 266 to require AHS and DOE to work with parents, providers, educators, and others to describe the features of a comprehensive and effective system of services for at-risk children based on prevention and early intervention. That led to the formation of the Early Childhood Work Group, which created a vision and an action plan for achieving a coordinated system of early childhood services. The vision is:

"Every family in Vermont has the right to comprehensive, high quality child development services appropriate for their children. Every Vermont community shall nurture the healthy development of young children and strengthen families. To support communities, the State of Vermont will create a unified system of child development services which shares common standards for quality and respects the diversity and uniqueness of individuals and programs."

The work plan to achieve this vision sets down a structure and functions for collaboration among state agencies, community organizations, and parents, with specific goals and action steps in seven areas: relationship to the Early Childhood Work Group; operational standards; resource integration; family-centered service; training and professional development; continuous learning and improvement; and public awareness. On April 6, 1996, this work plan became an official interagency agreement when it was signed by Governor Howard Dean, the Secretary of the AHS, the Chair of the State Board of Education, the Interim Commissioner of DOE, and the Commissioners of Health, Developmental and Mental Health Services, Social Welfare, and Social and Rehabilitation Services [child welfare/juvenile justice] - and by 30 coordinators of public, private, and non-profit early childhood programs, projects, agencies, associations, resource centers, and community-based organizations in Vermont.

The resources and structure to carry out the work plan include Success By Six grants, the State Team for Children and Families, and Community Partnerships. Success By Six grants are awarded to communities to improve their ability to deliver early childhood services in a coordinated manner within integrated settings, and to assure that families with young children have easy access to those services and settings. The State Team for Children and Families oversees the Success By Six grants, which use State General Funds. The State Team was created to achieve greater collaboration at the State level and to foster strong partnerships with community/regional collaborative groups devoted to improving the well-being of children and their families. These Community Partnerships exist in each of the AHS districts and receive funding through the State Team from the Annie E. Casey Foundation and the federal Justice Department's Caring Communities Program to conduct needs assessments, planning, collaborative service delivery, cross-disciplinary professional development, blending of funds, and system-wide performance and outcome evaluation.

The Vermont State Department of Developmental and Mental Health Services (DDMHS) is a member of the Early Childhood Work Group and signed the Service Agreement; it also participates on the State Team for Children and Families. The Department has been a leader in development of the Community Partnerships through its current CMHS System of Care or Services Initiative grant, which is called Access Vermont and is in the 4th of 5 years. The Department has a strong track record for obtaining and replacing federal and private grant funds (including from the Administration for Children, Youth and Families, the Robert Wood Johnson Foundation, and CMHS) to sustain the services it has developed for [school-aged] children who are experiencing SED and their families.

In 1994, for Access Vermont, the Department - in collaboration with the Department of Social and Rehabilitation Services (SRS) - required the LITs in each of the AHS districts to convene groups of service providers, parents, and community members to develop Regional Family Preservation Plans to reduce the number and rate of children entering state custody, especially on emergency detention orders. The Regional Plans improved the services available locally for children and families in crisis, generally by increasing the capacity for crisis outreach, intensive home-based services, shelter and other forms of temporary respite, short-term followup, and flexible funding to meet the diverse needs of those in crisis. Access Vermont has been notably successful. The number of children admitted to State custody has declined significantly since the implementation of services began in the first quarter of State FY95. The number of children admitted to State custody during State FY96 was 17% lower than in State FY95 (down from 1,038 to 861 children). Also, so far, the Access Vermont service providers have been able to respond to families in crisis in a timely way, without waiting lists. Furthermore, the groups convened for planning the Access Vermont services have continued to function for the grant and have frequently assumed the broader Regional/Community Partnership role for the State Team.

A report made to the Legislature in January, 1997 by the AHS and the DOE about "Serving Children, Serving Families: Coordinating Early Care and Education in Vermont" recommends that the State continue to support the development of regional teams for children and families. "As these regional teams build their capacity to oversee the delivery of early childhood services, funding should begin to flow through them, along with administrative responsibility. In this way, the State can help shift the control of early care and education toward the community level, where it is closer to children and families, and where the available resources can be best deployed to meet community needs."

Another report to the Legislature in January, 1997 by the AHS and the DOE discussed "Services to Vermont's Children and Adolescents with Emotional or Behavioral Challenges: Moving to the Year 2000". The report, which is the required annual report about the system of care for children who are experiencing SED, says:

"For FY97, it is estimated that state government will spend 68.4 million dollars on youth with behavioral challenges. If expenditures continue at the same rate of growth as in the last five years, Vermont could be spending over 108 million dollars on this population by the year 2002. To bend the curve of growth, an investment in early intervention and prevention must be made."

The report highlights the importance of primary prevention strategies for all families and children in the first five years of life. It also emphasizes the importance and proven effectiveness of early intervention at home and through child care to teach reading readiness, self-control and social skills.

Given its experience and success with the Access Vermont project and with the Community Partnerships, the DDMHS believes it can use a similar structure and process to enhance the system of care for [school-aged] children who are experiencing SED to include families with young children and the early childhood system of service providers. The DDMHS proposes to use these grant funds to help build the capacity of the Community Partnerships to fund, administer, and deliver behavioral health treatment and consultation for the early childhood system of care and for families with young children aged 0-6.

- o A discussion detailing an understanding of the goals of the Program and how the proposed project, if fully successful, would contribute to achieving those goals.*

The goal of this CMHS Program is to provide comprehensive community mental health services to children with SED and their families through systems of care which are evaluated for their process and outcomes. The systems of care should demonstrate proven exemplary practices for adoption by managed care organizations.

Vermont has already implemented a system of care producing exemplary practices. This system of care, as described in Vermont's System of Care Plan from 1994, is based on a child-centered, family-focused philosophy which emphasizes: a partnership between providers of services and each child and family; unconditional care; strengths and a holistic orientation; cultural competence; and that services be provided within the most family-like environment able to meet the youth's needs. The vehicle for expressing this philosophy is the treatment team specifically convened for an individual child with SED and his/her family. The team creates a plan to build on strengths while addressing needs with treatment and supports. The early childhood service system has similar values and approaches to working with families, especially as expressed through Part H and its use of Individualized Family Services Plans for children aged birth to three or through EEE and its Individualized Education Plans for preschoolers. However, in Vermont, to date, mental health agencies have linked more successfully with the school-aged system of care than with the early childhood system of care. This CMHS Program provides Vermont with a unique opportunity to enhance the system of care for children with SED to more effectively work with families with young children and their early childhood service providers. CUPS objectives are:

1. Enhancing the ability of Vermont's Community Partnerships to link the system of care for [school-aged] children with severe emotional disturbance and their families, with the early childhood system of care, thereby providing more support for the behavioral health of families with young children, including their treatment teams.
2. Statewide expansion of key services aimed at strengthening the behavioral health of young families and decreasing the incidence of children entering kindergarten without the emotional and social skills necessary for being active learners in school: crisis outreach; intensive home-based services; respite care, intensive case management; individualized or wraparound services; and related training.
3. Expansion of other vital services based on local need and readiness: parenting education and support, family literacy, and home-(pre)school coordination, using match funds.

The CUPS evaluation component will allow the collection of descriptive, process and outcome information about the delivery of behavioral health services to families with young children. The information from this project will help shape the State's use of managed care for the behavioral health of children. The State is now implementing an 1115 Medicaid Waiver which includes acute behavioral health care and excludes long-term behavioral health care. The DDMHS maintains responsibility for long-term behavioral health care and believes firmly that behavioral health care for children should be administered by and include services from a consortium of public and private providers. This was the recommendation from a "Children's Cabin" which the Department hosted in the spring, 1996 when it brought together representatives from child-serving agencies and national consultants to consider how best to manage the system of care. The Department is working to implement that recommendation by forming partnerships with other agencies to fund services and by pursuing this linkage with the early childhood system.

**Regional Distribution of Funds for Statewide Priority Services
for Children's UPstream Services (CUPS)**

Regions/Counties	% of <u>Access Vermont</u> Allocation *	\$ Per \$1,000,000
Addison	6.38	\$ 63,800
Bennington	8.40	\$ 84,000
Caledonia/South Essex	7.31	\$ 73,100
Chittenden	15.60	\$ 156,000
Franklin/Grand Isle	9.17	\$ 91,700
Lamoille	6.48	\$ 64,800
Orange/North Windsor	7.64	\$ 76,400
Orleans/North Essex	7.27	\$ 72,700
Rutland	9.05	\$ 90,500
Washington	7.44	\$ 74,400
Windham	6.86	\$ 68,600
Windsor (South)	8.40	\$ 84,000
Total	100.00	\$1,000,000

* Based on Formula for Basic Operating Capacity and Population Distribution

Thomas E. Kavet

Economic and Information Systems Consulting

November 1997

Economic and Revenue Commentary

Prepared for the
Vermont Legislative Joint Fiscal Committee
State of Vermont

November 13, 1997

Economic and Revenue Commentary

November 1997

The U.S. Economy

- The external economic environment continues to be positive, even as the present economic expansion reaches the ripe old age of 6½ years. Real GDP growth, following a revised first quarter growth rate of 4.9%, exceeded most expectations in both the second and third quarters, growing a robust 3.3% and 3.5%, respectively. The Index of Leading Economic Indicators, a harbinger of future economic growth, rose 0.2% in September, its fifth consecutive monthly gain.
- The U.S. unemployment rate continued to fall, dropping to 4.7% in October, a 24 year low.
- Consumer spending accelerated to a torrid 5.7% clip in the third quarter of 1997, it's biggest quarterly increase in nearly 6 years. Business investment in new equipment and construction was up 18.7% in the same quarter, its largest gain in 13 years.
- Despite the economy's exceptional growth and mounting signs of potential resource constraints, inflation has yet to become a significant negative factor. The CPI rose a modest 0.2% in September and is only 2.2% above year ago levels. The GDP price index advanced at an annual rate of only 1.4% in the second quarter of 1997, the lowest quarterly inflation rate since 1964.
- The only dark clouds now hovering over the U.S. economy come from the extreme stock market fluctuations of recent weeks, the related economic and currency crises in Asia, and signs that labor market tightness may finally begin to create future inflationary pressures (hourly earnings grew 4.2% in October, the largest increase in 8 years). Although U.S. stock prices still remain well ahead of January 1997 levels, lower corporate profits due to international economic events will probably cap the "irrational exuberance" of the U.S. stock market and continue to render stocks vulnerable to decline.
- Ironically, this downward stock market "adjustment" and continued financial market vulnerability (in addition, most prominently, to the continued absence of inflation) make a 1997 interest rate hike by the Fed less likely. Without such a hike, the prospects for FY98 economic growth continue to be

favorable. Sustained growth at current rates, however, will almost certainly provoke Fed tightening in 1998, slowing growth in FY99 and beyond.

- In accord with this economic news, the latest (October) New England Economic Project (NEEP) U.S. macro-economic forecast adjusted most 1997 and 1998 estimates upward, with a slight downward adjustment in 1999, relative to the previous forecast prepared in May of 1997. The base forecast still assumes a continuation of the current economic expansion, making it the longest peacetime expansion in history. This new U.S. macro-economic forecast will form the basis of the January 1998 State Revenue Forecast Update.

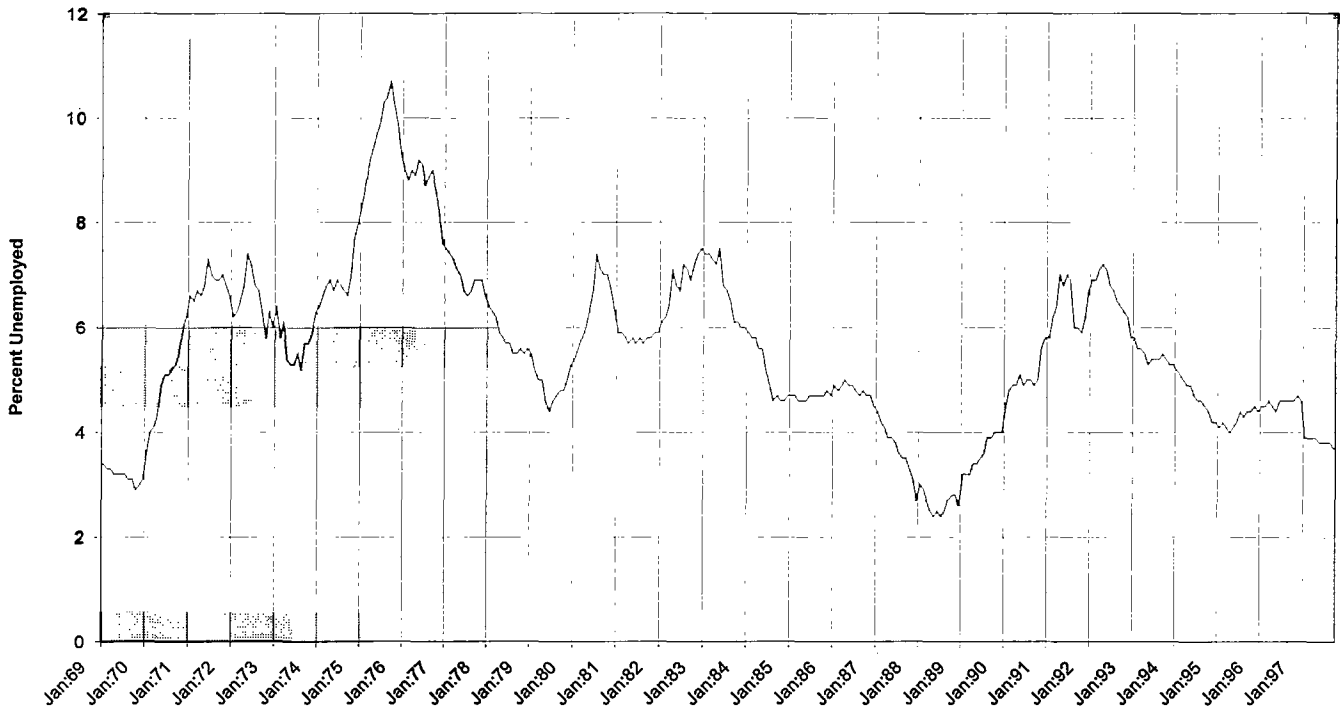
TABLE 1
Comparison of NEEP U.S. Macroeconomic Forecasts
October 1996 vs. May 1997 vs. October 1997, Selected Variables

	1997	1998	1999	2000
Real GDP Growth				
Oct-96	2.4	2.3	2.3	2.4
May-97	3.2	2.2	2.4	2.4
Oct-97	3.4	2.4	2.2	2.5
Population Growth				
Oct-96	0.9	0.9	0.9	0.8
May-97	0.9	0.9	0.9	0.8
Oct-97	0.9	0.9	0.9	0.8
Total Nonagricultural Employment Growth				
Oct-96	1.4	1.2	1.4	1.4
May-97	2.0	1.0	1.2	1.5
Oct-96	2.1	1.2	1.1	1.5
Unemployment Rate				
Oct-96	5.5	5.7	5.8	5.8
May-97	5.2	5.4	5.6	5.7
Oct-97	4.9	4.9	5.5	5.6
Personal Income Growth				
Oct-96	5.3	5.5	5.7	5.7
May-97	5.4	5.4	5.5	5.7
Oct-97	5.8	5.4	6.0	5.8
Prime Rate				
Oct-96	8.99	8.59	8.50	8.50
May-97	8.72	8.71	8.50	8.50
Oct-97	8.48	8.97	8.52	8.50
Implicit Price Deflator				
Oct-96	3.1	3.3	3.4	3.5
May-97	2.2	2.9	3.2	3.1
Oct-97	2.1	2.6	3.2	3.0

The Vermont Economy

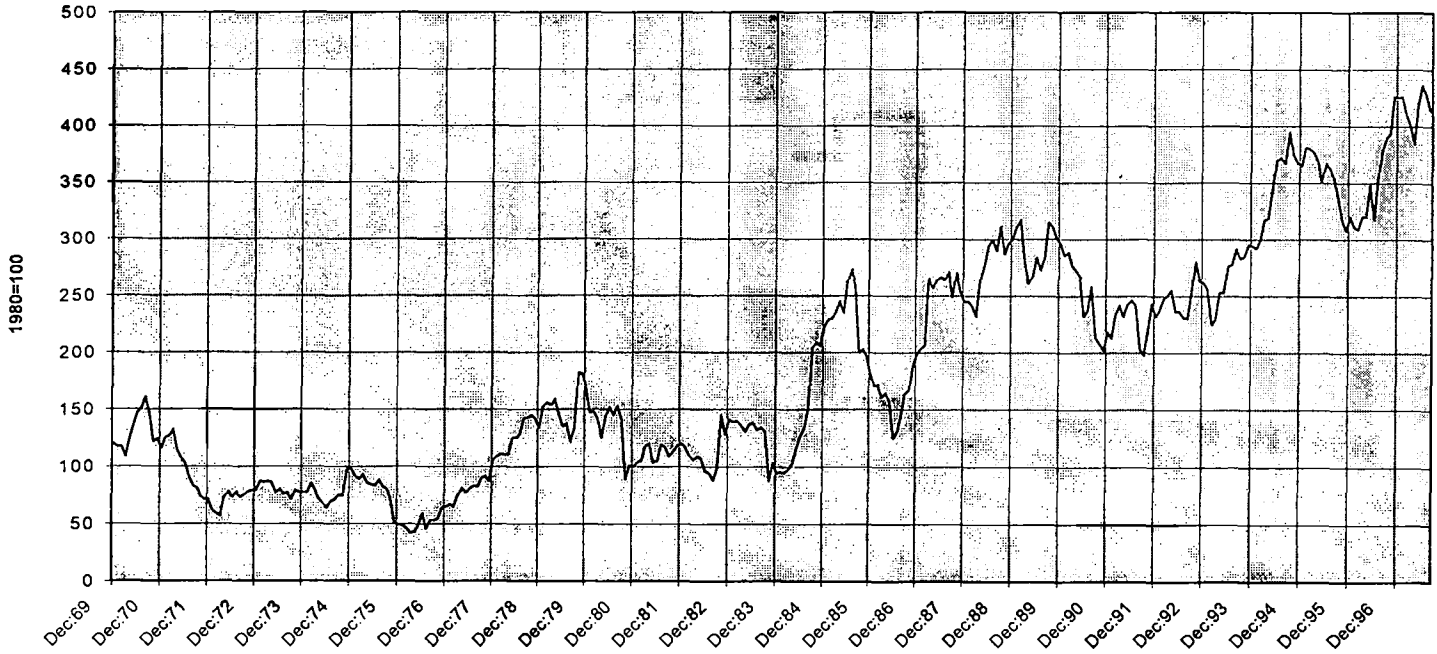
- The Vermont economy has benefited from the strong U.S. economic expansion and continues to perform at or above most expectations. The Vermont unemployment rate has been below 4% for the entire 1997 calendar year, steadily declining to 3.7% in September, its lowest level since the boom years of the late 1980s.

Vermont Unemployment Rate (Seasonally Adjusted)



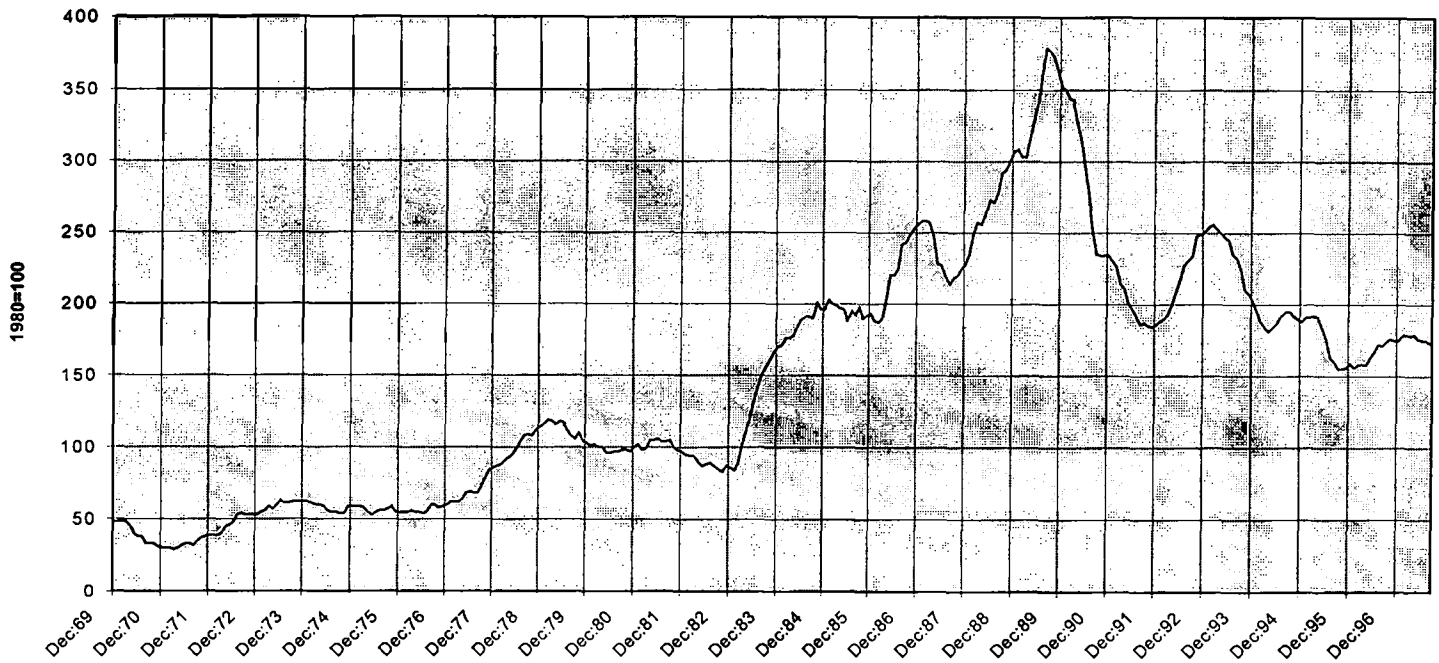
- Total personal income growth in Vermont slowed to a still respectable 4.2% (annual rate) in the first quarter of 1997 (the latest available reporting period), but should exhibit growth closer to 5% in the second and third quarters.
- Investment in nonresidential construction in Vermont, a timely indicator of future job and economic growth, and a series the JFC asked to be regularly monitored at its 7-15-97 meeting, continued to be strong, reaching record levels in recent months. Residential construction, however, has yet to rebound from the extreme over-building experienced during the last cyclical peak and remains relatively depressed. As this sector works off these excesses and resumes secular growth in 1998 and beyond, there is considerable upside potential for job creation.

**Index of Nonresidential Construction Contract Value In Vermont
(12 month moving average)**



Source: F.W. Dodge/McGraw-Hill

**Index of Residential Construction Contract Value In Vermont
(12 month moving average)**



Source: F.W. Dodge/McGraw-Hill

- Unlike the NEEP macro-economic forecast, the Vermont State NEEP forecast underwent a significant upward revision in October. As illustrated in the below table, real Gross State Product growth rates were doubled in 1997 and 1998, and even adjusted slightly upward in 1999-2000. Bringing the forecast back in line with earlier October 1996 projections, the new State economic projections correct what the last JFO Revenue Forecast Update considered an "excessively pessimistic" outlook. This new State economic forecast will be the basis of the January 1998 Revenue Forecast Update and is supportive of near-term revenue projections that will probably exceed current estimates.

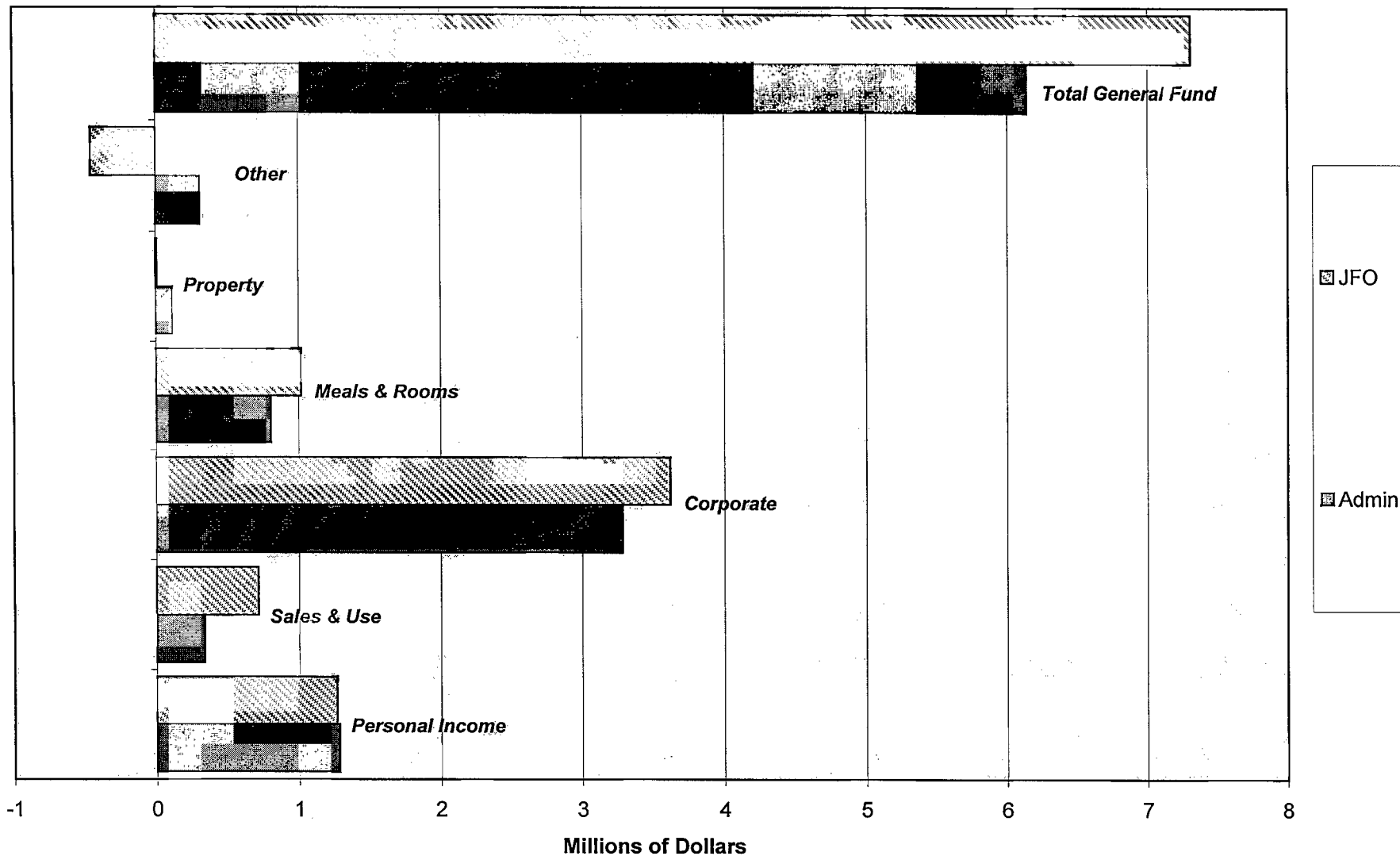
TABLE 2
Comparison of NEEP Vermont Forecasts
October 1996 vs. May 1997 vs. October 1997, Selected Variables

	1997	1998	1999	2000
Real GSP Growth				
Oct-96	2.2	2.1	2.5	2.7
May-97	1.7	1.2	2.0	2.0
Oct-97	3.5	2.4	2.1	2.7
Population Growth				
Oct-96	0.6	0.6	0.6	0.6
May-97	0.5	0.3	0.3	0.3
Oct-97	0.6	0.6	0.5	0.5
Total Nonagricultural Employment Growth				
Oct-96	1.3	1.1	1.5	1.7
May-97	0.9	0.4	1.0	1.0
Oct-97	1.5	1.5	1.1	1.7
Unemployment Rate				
Oct-96	4.2	4.4	4.5	4.3
May-97	4.8	5.0	5.1	5.1
Oct-97	3.8	4.0	4.5	4.5
Personal Income Growth				
Oct-96	5.3	5.4	6.1	6.4
May-97	4.4	4.5	5.4	5.4
Oct-97	4.1	5.1	6.0	6.2

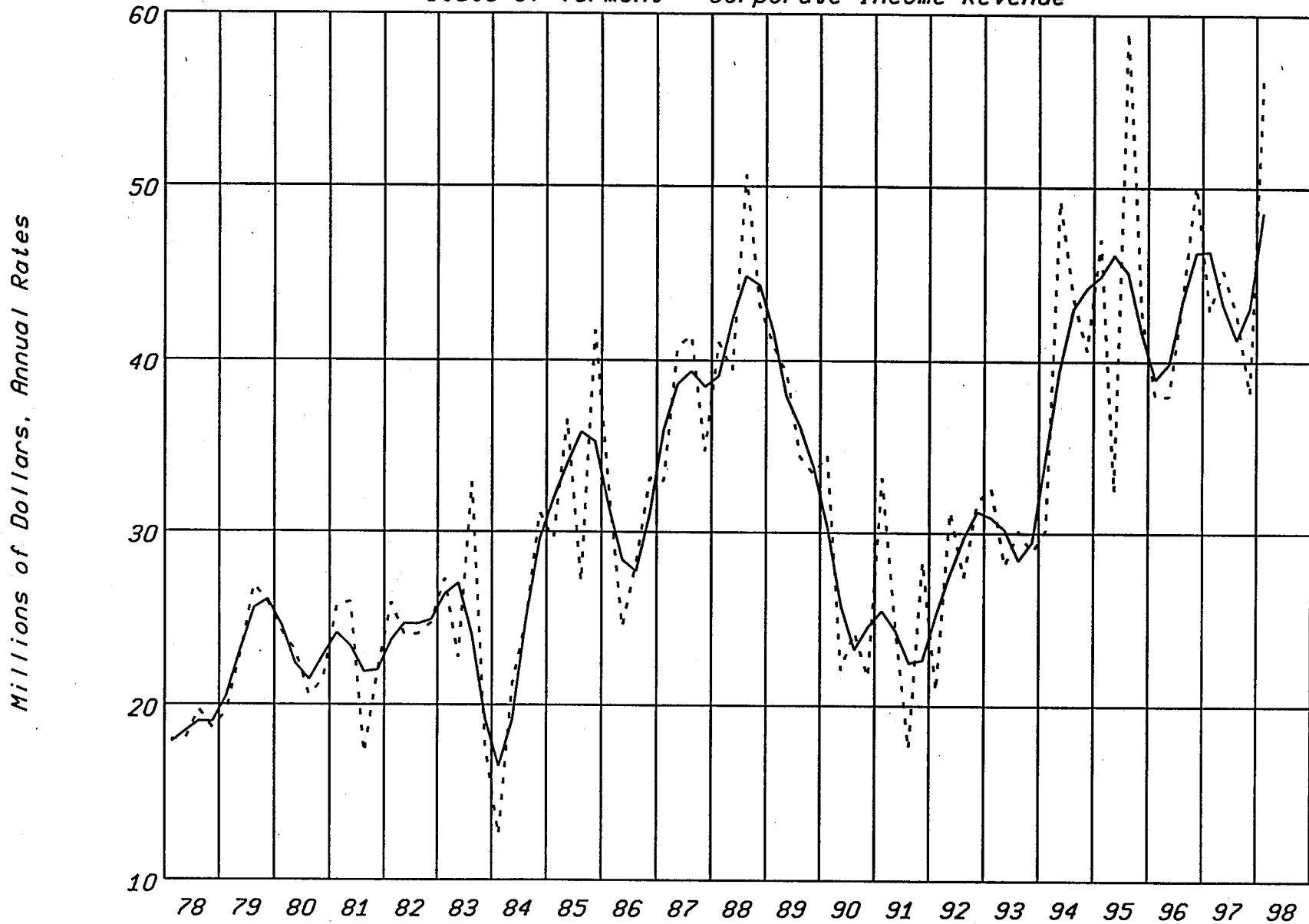
State Revenues

- State General Fund revenues through the first four months of FY98 have performed well, with most major categories at or above target levels (see chart). Total General Fund revenue, after adjustment for a computer scanning problem that under-reported October revenue by about \$5.5 million (and will inflate reported November revenue by an equal amount), finished the first third of the year about two and a half percent above expectations, or about \$7 million above the JFO target and \$6 million above the Administration target.
- About half of this revenue cushion, however, came from the volatile Corporate Income category. After a dismal fourth quarter FY97 seasonally adjusted annual rate (SAAR) of \$38.4 million, corporate income rebounded to \$56.4 million in FY98's first quarter, the second highest quarterly level ever reported. Due to the relatively small taxpayer base and the disproportionate size of a few large taxpayers, quarterly swings such as this are not uncommon for Corporate Income receipts, and sharp increases are often followed by declines (see accompanying chart).
- Transportation Fund revenues through the first four months of the year were also healthy, with total revenue exceeding target levels by \$3 million (Administration) to \$6 million (JFO). Some of this growth is probably related to the \$4 million "miss" in the last quarter of FY97 and timing issues associated with both revenue reporting and tax payments between the fourth quarter of FY97 and the first quarter of FY98.
- Given the myriad revenue enhancements introduced as part of Act 60 (which make monthly target estimation in FY98 more uncertain and tax collection/reporting problems more prevalent) and the month to month volatility inherent in State revenues, it is still premature to assume the entire current revenue surplus will endure. However, continued strength in the external economic environment and recent Federal tax changes are supportive of an upward revision to near-term revenue estimates in January.

**General Fund Revenue, Actual Vs. Targets, First 4 Months of FY98
(Adjusted for approximate \$5.5 million October under-reporting error)**



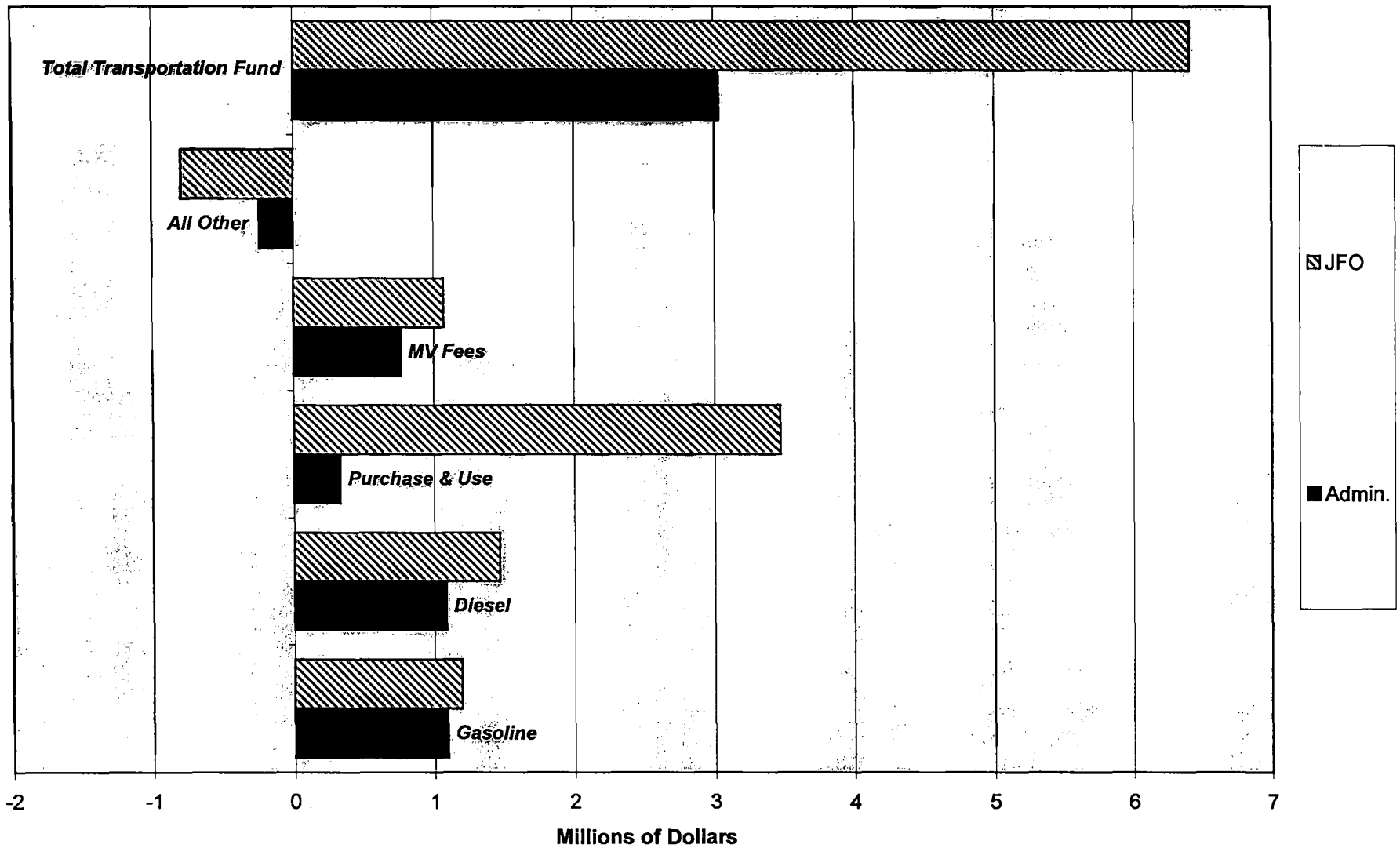
State of Vermont - Corporate Income Revenue



Fiscal Year Seasonally Adjusted Quarterly Trend/Cycle Data

Prepared for the Vermont Legislative Joint Fiscal Office by T. Kavet, 10-97

Transportation Fund Revenue, Actual Vs. Targets, First 4 Months of FY98



Not distributed



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**STATE OF VERMONT
JOINT FISCAL COMMITTEE**
1 Baldwin Street
Montpelier, Vermont 05633-5701

Memorandum

To: Members, Joint Fiscal Committee
From: Douglas J. Williams, Deputy Fiscal Officer
Date: November 13, 1997
Subj: October Revenue Collections

After four months of collections, the general fund is \$6.1 million ahead of the Administration's cumulative target and \$7.3 million ahead of the Joint Fiscal Office cumulative target. This represents a growth rate of 6.3% compared to the same period last year and indicates that, in the remaining eight months of the fiscal year, we need a growth rate of only 3.2% (over the last eight months of fy '97) in order to achieve the Emergency Board official forecast of \$790.5 million.

The principal sources showing the greatest strength are the corporate income tax followed by the personal income tax. The Rooms & Meals tax and Sales & Use tax are also ahead of target.

The transportation fund is between \$3 million (Administration) and \$6 million (JFO) ahead of target. Gasoline, Diesel, and Purchase & Use taxes all contribute to excess collections.

Attached for your consideration are the following documents:

- Comparison of general fund collections to Administration targets
- Comparison of transportation fund collections to Administration targets
- Comparison of general fund collections to Joint Fiscal Office targets
- Comparison of transportation fund collections to Joint Fiscal Office targets
- Revenue growth needed to achieve forecast

Fiscal Year 1998 vs. 1997

Comparison of First 4 Month Revenue Growth to Remaining 8 Months Growth

	Total Year			July - Oct			Nov - June		
	Actual FY 1997	Forecast FY 1998	% Growth	Actual FY 1997	Actual FY 1998	% Growth	Actual FY 1997	Revenue Needed to Achieve FY 1998 Forecast	Remaining % Growth Needed to Achieve Forecast
Personal Income	323,100	325,900	0.9%	98,779	110,370	11.7%	224,321	215,530	-3.9%
Sales & Use	183,800	197,100	7.2%	63,297	66,769	5.5%	120,503	130,331	8.2%
Corporate Income	42,300	47,800	13.0%	10,176	14,101	38.6%	32,124	33,699	4.9%
Meals & Rooms	64,100	77,500	20.9%	23,209	25,114	8.2%	40,891	52,386	28.1%
Property Transfer	13,700	14,000	2.2%	4,942	5,239	6.0%	8,758	8,761	0.0%
Other Revenue	131,700	131,800	0.1%	42,668	36,774	-13.8%	89,032	95,026	6.7%
Total Revenue	758,700	790,500	4.2%	243,071	258,367	6.3%	515,629	532,133	3.2%





STATE OF VERMONT
AGENCY OF ADMINISTRATION

FOR IMMEDIATE RELEASE
PRESS RELEASE

NOVEMBER 6, 1997

Montpelier, VT – Secretary of Administration Kathleen C. Hoyt today announced General Fund revenue collections for the month of October and the first four months of FY 1998. October revenues totaled \$61.1 million, a decline of 12.3 percent versus receipts during the month of October of last year. Cumulative receipts over the first four months of FY 1998 stood at \$252.9 million, an increase of 4.0 percent versus the same first four month period of FY 1997.

“Revenues during the month of October performed as we expected after appropriate adjustments are made to Schedule 2- reported revenues for a computer scanning problem in the Tax Department which occurred during the month,” said Secretary Hoyt. “Those problems, which resulted in the loss of between four and five processing days towards the end of the month, appear to have artificially depressed October revenues in the General Fund by about \$5 million,” continued the Secretary.

The Secretary explained that after adjustment for the known spill-over of October returns into November, October’s results were consistent with the overall collection trends which have been established through the first quarter of the 1998 fiscal year. “The so-called “Big Four” components of the General Fund all continue to perform well, with positive year-over-year growth rates in the income taxes and Meals and Rooms tax sources. Although the Sales and Use tax is demonstrating some real growth, it still is not demonstrating a level of receipts strength

that could be termed healthy," continued the Secretary. "This second largest tax source in the General Fund merits close scrutiny over the year-end holiday shopping season.

"It should be remembered that we are still early in the 1998 fiscal year and significant forecast unknowns remain. While these results from the first four months of the fiscal year remain upbeat, factors such as the ski season, Christmas shopping, the weather, effects of a volatile stock market, among others, will effect revenues over the coming months.

GENERAL FUND REVENUE BY KEY ELEMENT

<u>TAX COMPONENT:</u>	Month of October		FY 1998 Total	
	<u>(\$ Mill.)</u>	<u>% Chg.</u>	<u>(\$ Mill.)</u>	<u>% Chg.</u>
Personal Income	26.8	1.8	107.1	8.4
Sales and Use	16.8	-1.2	65.3	3.1
Rooms and Meals	6.3	2.5	24.4	5.0
Corporate Income	1.9	38.2	14.1	38.6
Property Transfer	1.4	9.3	5.2	6.0
Other	<u>7.9</u>	<u>-54.8</u>	<u>36.8</u>	<u>-13.8</u>
TOTAL	61.1	-12.3	252.9	4.0

Transportation Fund

Secretary Hoyt today also released receipts data for October in the Transportation Fund. Transportation Fund revenues for the month totaled \$16.5 million, an increase of 8.3 percent versus the same month of fiscal year 1997. Cumulative Transportation Fund revenue collections through the month of October were 58.9 million, an increase of 17.9 percent over the same fourth month period of fiscal 1997.

"October collections in the Transportation Fund also were very close to expectations," said Secretary Hoyt. "Allowing for a realignment of I.F.T.A. revenues between the Other

revenue category and the Diesel Tax, overall receipts were within two percent of our target after an exceptionally strong month of September. As a result, cumulative Transportation Fund receipts are tracking slightly ahead of target in all but the Other Revenue component reflecting a continuation of the generally positive cumulative receipts status in the fund.”

“While this relatively upbeat performance by most of the Transportation Fund revenue sources over the first one third of the fiscal year is encouraging, it should be remembered that some significant revenue obstacles remain just ahead. Weather issues, particularly with respect to long-term forecasts of the potential winter weather effect of the so-called El Nino phenomenon, always represent significant forecast unknowns for the tourism activity, and we cannot lose sight of the fact that the volatility in the stock market could have a significant effect on the spending patterns of the industry’s customer base in southern New England, New York and New Jersey. With these still significant hurdles outstanding, we still have an important and volatile period to get through during the months of January and February before valid inferences about the fiscal 1998 year as a whole can be made with any degree of confidence,” the Secretary concluded.

TRANSPORTATION FUND REVENUE BY KEY ELEMENT

<u>TAX COMPONENT:</u>	Month of October		FY 1998 Total	
	<u>(\$ Mill.)</u>	<u>% Chg.</u>	<u>(\$ Mill.)</u>	<u>% Chg.</u>
Gasoline Tax	5.1	9.3	20.1	16.6
Purchase and Use	5.7	17.2	18.3	28.2
Motor Vehicle Fees	3.2	3.3	13.1	12.6
All Other	<u>2.5</u>	<u>-4.4</u>	<u>7.4</u>	<u>8.0</u>
TOTAL	16.5	8.3	58.9	17.9

Additionally, Secretary Hoyt announced Act 60 revenues which were passed by the General Assembly to support property tax reform and decrease property taxes. In FY 1998, these new revenues are deposited into the general and transportation funds but are tracked separately and reported as a subcomponent of overall general and transportation fund revenues. In FY 1999, Act 60 revenues will be used to support appropriation for the newly established Education Fund.

EDUCATION FUND REVENUES

<u>GENERAL FUND</u>	<u>Month of October</u>	<u>FY 1998 Total</u>
Corporate Income	0.1	1.5
Meals and Rooms	-	-
Bank Franchise	0.7	1.0
Telecommunication	-	-
Security Registration	<u>0.2</u>	<u>0.6</u>
TOTAL	1.0	3.1
<u>TRANSPORTATION FUND</u>		
Gasoline Tax	1.0	2.4
Purchase and Use Tax	<u>0.9</u>	<u>2.6</u>
TOTAL	1.9	5.0
TOTAL ACT 60 REVENUES	2.9	8.1

COMPARATIVE STATEMENT OF REVENUES
AS OF OCTOBER 31, 1997
PREPARED BY DEPARTMENT OF FINANCE & MANAGEMENT

	TOTAL TO DATE LAST YEAR	TOTAL TO DATE THIS YEAR	% OF CHANGE	REVENUE ESTIMATE	REVISED REVENUE ESTIMATE	% REVENUE ESTIMATE RCCEIVED
GENERAL FUND						
TAXES						
PERSONAL INCOME	98,778,927	107,120,291	8.4	325,900,000		32.9
SALES AND USE	63,297,157	65,269,038	3.1	197,100,000		33.1
CORPORATE	10,176,319	14,101,127	38.6	47,800,000		29.5
MEALS AND ROOMS	23,209,485	24,363,732	5.0	77,500,000		31.4
CIGARETTE	4,674,708	4,614,067	-1.3	13,000,000		35.5
LIQUOR	3,004,060	3,002,515	-.1	8,800,000		34.1
INSURANCE	4,462,583	4,633,746	3.8	27,200,000		17.0
TELEPHONE	9,239	36,396	293.9	50,000		72.8
TELEPHONE PROP	2,447,933	2,450,309	.1	9,950,000		24.6
BEVERAGE	1,652,950	1,669,966	1.0	4,700,000		35.5
ELECTRIC ENERGY	792,135	836,986	5.7	3,400,000		24.6
ESTATE	11,861,647	3,451,623	-70.9	8,500,000		40.6
PARI-MUTUEL	0	0	0	0		0
PROPERTY TRANS ¹	4,941,628	5,239,079	6.0	14,000,000		37.4
BANK FRANCHISE	1,200,062	2,178,527	81.5	6,700,000		32.5
ALL OTHER TAXES	860,684	704,369	-18.2	1,500,000		47.0
TOTAL TAXES	231,369,518	239,671,771	3.6	746,100,000		32.1
OTHER REVENUE						
BUSINESS LICENSE	477,428	481,816	.9	3,000,000		16.1
FEES	2,640,551	3,466,928	31.3	8,700,000		39.8
SERVICES	553,875	637,379	15.1	1,500,000		42.5
FINES, FORFEITS	745,933	409,884	-45.1	1,900,000		21.6
INTEREST, PREM	724,691	867,945	19.8	5,100,000		17.0
SPEC ASSESSMENTS	36,424	284,898	682.2	300,000		95.0
LOTTERY TRANSFER	6,360,389	6,898,201	8.5	24,000,000		28.7
ALL OTHER	162,351	148,586	-8.5	600,000		24.8
TOTAL OTHER	11,701,644	13,195,637	12.8	45,100,000		29.3
TOTAL GENERAL FUND	243,071,162	252,867,408	4.0	791,200,000		32.0

¹ REFLECTS GROSS PROPERTY TRANSFER TAXES COLLECTED.

TRANSPORTATION FUND					
NON-DEDICATED					
TAXES					
GASOLINE	17,274,304	20,149,189	16.6	58,900,000	34.2
DIESEL FUEL	3,127,449	4,215,055	34.8	11,000,000	38.3
MOT VEH PUR/USE	14,299,017	18,335,673	28.2	55,300,000	33.2
OTHER	517,802	631,471	22.0	1,600,000	39.5
TOTAL TAXES	35,218,573	43,331,388	23.0	126,800,000	34.2
OTHER REVENUE					
MOTOR VEH FEES	11,632,996	13,099,217	12.6	39,500,000	33.2
OTHER	3,092,920	2,429,844	-21.4	10,400,000	23.4
TOTAL OTHER REVENUE	14,725,916	15,529,061	5.5	49,900,000	31.1
TOTAL NON-DEDICATED	49,944,488	58,860,450	17.9	176,700,000	33.3
DEDICATED					
FEDERAL AID	34,610,121	52,468,643	51.6		.0
OTHER	386,734	-136,226	-135.2		
TOTAL DEDICATED	34,996,855	52,332,417	49.5		
TOTAL TRANSP FUND	84,941,343	111,192,866	30.9		
FISH & WILDLIFE FUND					
HUNT/ANGLERS LIC	1,543,878	1,705,769	10.5		.0
FEDERAL AID	869,140	928,885	6.9		.0
ALL OTHER	434,837	365,046	-16.0		.0
TOTAL F & W FUND	2,847,855	2,999,700	5.3		
SPECIAL FUNDS					
TAXES	7,976,671	8,124,440	1.9		.0
ELEC ENERGY	422,787	510,879	20.8		.0
FEDERAL FUNDS	158,733,109	160,807,480	1.3		.0
SPEC ASSESSMENTS	25,523,236	25,604,350	.3		.0
LIQUOR SALES	8,932,278	9,098,030	1.9		.0
STATE LOTTERY	6,925,000	10,275,000	48.4		.0
TRUST FUNDS	224,427	432,041	92.5		.0
OTHER REVOLVING	27,490,151	30,161,673	9.7		.0
ALL OTHER	21,862,753	21,398,616	-2.1		.0
TOTAL SPECIAL FUNDS	258,090,413	266,412,509	3.2		
REVENUES-ALL FUNDS	588,950,772	633,472,484	7.6		
TRANSPORTATION FUNDS					
IN PROCESS	1,728,384	617,132	-64.3		.0

SOME FIGURES CONTAINED IN THIS REPORT ARE RELEASED SUBJECT TO FURTHER AUDIT.

STATE OF VERMONT
GRANT ACCEPTANCE FORM

IFO # 1787

DATE: November 3, 1997

GRANT SUMMARY

DEPARTMENT: Agency of Human Services/Vermont Department of Health

GRANT/DONATION: Epidemiology and Laboratory Capacity for Infectious Diseases

GRANTOR/DONOR: U.S. Department of Health and Human Services
Public Health Service
Centers for Disease Control and Prevention
255 East Paces Ferry Road, N.E.
Atlanta, Georgia

AMOUNT/VALUE: \$180,976 federal funds in FY 1998
Grant runs for five years at an annualized amount of \$180,976 federal funds. Funds in FYs 1999 through 2002 will be contained within the Department's appropriation request.

POSITIONS REQUESTED (LIMITED SERVICE):

None

COMMENTS:

The Epidemiology and Laboratory Capacity for Infectious Diseases grant will expand rural enteric disease testing and the development of a rapid electronic reporting system within VTMEDNET to be used by health care providers, laboratories, managed care facilities and the Epidemiology file Unit and Community Public Health programs of the Health Department.

Funds will be used for laboratory testing supplies and equipment, computer work stations, telecommunications services, contractual costs associated with development of the information system and the cost of personnel services associated with the project. The department will use converted vacant positions if possible. Some portions of the grant may be contracted. There are no matching funds required by the grant.

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

(INITIAL)
(INITIAL)
(DATE)

ST
KCH
11/10/97

JOINT FISCAL
OFFICE
RECEIVED

NOV 12 1997

STATE OF VERMONT
REQUEST FOR GRANT ACCEPTANCE
(use additional sheets as needed)

FORM AA-1
(Rev. 9-90)

RECEIVED OCT 08 1997

1. Agency: Human Services
2. Department: Health
3. Program: Surveillance
4. Legal Title of Grant: Epidemiology and Laboratory Capacity for
5. Federal Catalog No.: 93.283 Infectious Diseases
6. Grantor and Office Address: Centers for Disease Control and Prevention
Atlanta, Georgia
7. Grant Period: From: 9/1/97 To: 8/31/02

8. Purpose of Grant: (attach additional sheets if needed)

To ensure adequate capacity to conduct epidemiology and laboratory surveillance and response for infectious diseases.
(see attached summary)

9. Impact on Existing Programs if Grant is not Accepted:

none

10. Budget Information:	(1st State FY) FY 19 98	(2nd State FY) FY 19 99	(3rd State FY) FY xx 2000
EXPENDITURES:			
Personal Services	\$ 101,400	\$ 126,040	\$ 126,040
Operating Expenses	\$ 75,436	\$ 54,936	\$ 54,936
Other	\$ 4,140	\$	\$
TOTAL	\$ 180,976	\$ 180,976	\$ 180,976
REVENUES:			
State Funds:			
Cash	\$	\$	\$
In-Kind	\$	\$	\$
Federal Funds:			
(Direct Costs)	\$ 157,826	\$ 157,826	\$ 157,826
(Statewide Indirect)	\$ 5,788	\$ 5,788	\$ 5,788
(Department Indirect)	\$ 17,362	\$ 17,362	\$ 17,362
Other Funds:			
(source)	\$	\$	\$
TOTAL	\$ 180,976	\$ 180,976	\$ 180,976

Grant will be allocated to these appropriation expenditure accounts:	Appropriation Nos.	Amounts
	010347120	\$ 180,976

11. Will grant monies be spent by one or more personal service contracts?

YES NO

IF YES, signature of appointing authority here indicates intent to follow current guidelines on bidding.

x *Jarila Cruz*

12a. Please list any requested Limited Service positions:

Titles	Number of Positions
TOTAL	

12b. Equipment and space for these positions:

- Is presently available.
- Can be obtained with available funds.

13. Signature of Appointing Authority

I certify that no funds have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant.

Jarila Cruz 9/15/97
 (Signature) (Date)
 Commissioner, Department of Health
 (Title)

14. Action by Governor:

- Approved
- Rejected

M. J. Depina 11/4/97
 (Signature) (Date)

15. Secretary of Administration:

- Request to JFO
- Information to JFO

 (Signature) (Date)

16. Action by Joint Fiscal Committee:

(Dates)

- Request to be placed on JFC agenda
- Approved (not placed on agenda in 30 days)
- Approved by JFC
- Rejected by JFC
- Approved by Legislature

 (Signature) (Date)

08/26/1997

93.283

DEPARTMENT OF HEALTH AND HUMAN SERVICES
PUBLIC HEALTH SERVICE
CENTERS FOR DISEASE CONTROL AND PREVENTION

NOTICE OF COOPERATIVE AGREEMENT

AUTHORIZATION (LEGISLATION/REGULATION)

301(A) 42 USC 241(A) & 317 42 USC 247B

3. SUPERSEDES AWARD NOTICE DATED
EXCEPT THAT ANY ADDITIONS OR RESTRICTIONS
PREVIOUSLY IMPOSED REMAIN IN EFFECT UNLESS SPECIFICALLY RESCINDED.

4. GRANT NO. U50/CCU114404-01
5. ADMINISTRATIVE CODES CCU50

6. PROJECT PERIOD
FROM 09/01/1997 THROUGH 08/31/2002

7. BUDGET PERIOD
FROM 09/01/1997 THROUGH 08/31/1998

8. TITLE OF PROJECT (OR PROGRAM)

EPIDEMIOLOGY & LABORATORY CAPACITY FOR INFECTIOUS DISEASES

9. GRANTEE NAME AND ADDRESS
VERMONT DEPARTMENT OF HEALTH
MANAGEMENT EXECUTIVE
108 CHERRY STREET/P. O. BOX 70
BURLINGTON, VT 05402

10. DIRECTOR OF PROJECT (PROGRAM DIRECTOR/PRINCIPAL INVESTIGATOR)
PETER D. GALBRAITH, DMD, MPH
HEALTH SURVEILLANCE DIVISION
108 CHERRY STREET/P. O. BOX 70
BURLINGTON, VT 05402

11. APPROVED BUDGET (EXCLUDES PHS DIRECT ASSISTANCE)

I PHS GRANT FUNDS ONLY
II TOTAL PROJECT COSTS INCLUDING GRANT FUNDS AND ALL OTHER FINANCIAL PARTICIPATION
(PLACE NUMERAL ON LINE) I

A. SALARIES AND WAGES.....\$	43,680
B. FRINGE BENEFITS.....\$	10,920
C. TOTAL PERSONNEL COSTS.....\$	54,600
D. CONSULTANT COSTS.....	0
E. EQUIPMENT.....	20,500
F. SUPPLIES.....	28,705
G. TRAVEL.....	3,081
H. PATIENT CARE-INPATIENT.....	0
I. PATIENT CARE-OUTPATIENT.....	0
J. ALTERATIONS AND RENOVATIONS.....	0
K. OTHER.....	4,140
L. CONSORTIUM/CONTRACTUAL COSTS.....	46,800
M. TRAINEE RELATED EXPENSES.....	0
N. TRAINEE STIPENDS.....	0
O. TRAINEE TUITION AND FEES.....	0
P. TRAINEE TRAVEL.....	0
Q. TOTAL DIRECT COSTS.....\$	157,826
R. INDIRECT COSTS (0.00 % OF S&W/TADC) \$	23,150
S. TOTAL APPROVED BUDGET.....\$	180,976
T. SBIR FEE.....\$	0
U. FEDERAL SHARE.....\$	180,976
V. NON-FEDERAL SHARE.....\$	0

12. AWARD COMPUTATION FOR FINANCIAL ASSISTANCE

A. AMOUNT OF PHS FINANCIAL ASSISTANCE (FROM 11.U).....\$	180,976
B. LESS UNOBLIGATED BALANCE FROM PRIOR BUDGET PERIODS..\$	0
C. LESS CUMULATIVE PRIOR AWARD(S) THIS BUDGET PERIOD...\$	0
D. AMOUNT OF FINANCIAL ASSIST. THIS ACTION \$	180,976

13. RECOMMENDED FUTURE SUPPORT (SUBJECT TO THE AVAILABILITY OF FUNDS AND SATISFACTORY PROGRESS OF THE PROJECT)

BUDGET YEAR	TOTAL DIRECT COSTS	BUDGET YEAR	TOTAL DIRECT COSTS
A. 2	180,976	D. 5	180,976
B. 3	180,976	E. 0	0
C. 4	180,976	F. 0	0

14. APPROVED DIRECT ASSISTANCE BUDGET (IN LIEU OF CASH)

A. AMOUNT OF PHS DIRECT ASSISTANCE.....\$	0
B. LESS UNOBLIGATED BALANCE FROM PRIOR BUDGET PERIODS..\$	0
C. LESS CUMULATIVE PRIOR AWARDS FROM THIS BUDGET PERIODS.	0
D. AMOUNT OF DIRECT ASSISTANCE THIS ACTION \$	0

15. PROGRAM INCOME SUBJECT TO 45 CFR PART 74, SUBPART F, OR 45 CFR 92.25, SHALL BE USED IN ACCORDANCE WITH ONE OF THE FOLLOWING ALTERNATIVES: (SELECT ONE AND PUT LETTER IN BOX.)

- A. DEDUCTION
- B. ADDITIONAL COSTS
- C. MATCHING
- D. OTHER RESEARCH (ADD/DEDUCT OPTION)
- E. OTHER (SEE REMARKS)

B

THIS AWARD IS BASED ON AN APPLICATION SUBMITTED TO, AND AS APPROVED BY, THE PHS ON THE ABOVE TITLED PROJECT AND IS SUBJECT TO THE TERMS AND CONDITIONS INCORPORATED EITHER DIRECTLY OR BY REFERENCE IN THE FOLLOWING:
A. THE GRANT PROGRAM LEGISLATION CITED ABOVE. B. THE GRANT PROGRAM REGULATION CITED ABOVE. C. THIS AWARD NOTICE INCLUDING TERMS AND CONDITIONS, IF ANY, NOTED BELOW UNDER REMARKS. D. PHS GRANTS POLICY STATEMENT INCLUDING ADDENDA IN EFFECT AS OF THE BEGINNING DATE OF THE BUDGET PERIOD. E. 45 CFR PART 74 OR 45 CFR PART 92 AS APPLICABLE. IN THE EVENT THERE ARE CONFLICTING OR OTHERWISE INCONSISTENT POLICIES APPLICABLE TO THE GRANT, THE ABOVE ORDER OF PRECEDENCE SHALL PREVAIL. ACCEPTANCE OF THE GRANT TERMS AND CONDITIONS IS ACKNOWLEDGED BY THE GRANTEE WHEN FUNDS ARE DRAWN OR OTHERWISE OBTAINED FROM THE GRANT PAYMENT SYSTEM.

REMARKS (OTHER TERMS AND CONDITIONS ATTACHED - YES NO)

SPONSOR: NATIONAL CENTER FOR INFECTIOUS DISEASES
*IDC RATE BASE: SEE ATTACHED

PHS GRANTS MANAGEMENT OFFICER: (SIGNATURE)

(NAME-TYPED/PRINT)

(TITLE)

SHARRON P. ORUM

GRANTS MANAGEMENT OFFICER

17. OBJ. CLASS. 41.51

18. CRS. E.I.N.: 1-036000274-A1

19. LIST NO.: C1-252-097

FY-CAN	DOCUMENT NO.	ADMINISTRATIVE CODE	AMT. ACTION FIN. ASST	AMT. ACTION DIR. ASST
20.A 7-A3623 7-9211109	B. CCU114404	C. CCU50	D. 180,976	E. 0
21.A	B.	C.	D.	E.
22.A	B.	C.	D.	E.

**Epidemiology and Laboratory Capacity Grant
Program Budget Detail**

	Year 1		Year 2 and subsequent years	
	Subtotal	Total	Subtotal	Total
<u>A. Personnel:</u>		43,680		64,896
Nurse epidemiologist, 1FTE	20,800		31,200	
Data entry operator, 0.5 FTE	6,656		9,360	
Microbiologist, 0.9 FTE	16,224		24,336	
<u>B. Fringe:</u>		10,920		16,380
<u>C. Travel</u>		3,081		3,081
<u>D. Equipment:</u>		20,500		-
5 Computer workstations	13,000			
3 Computer-based form sites	1,200			
incubator	5,500			
refrigerator	800			
<u>E. Supplies</u>		28,705		28,705
<u>F. Contractual:</u>		46,800		44,764
<u>H. Other:</u>		4,140		
<u>I. Indirect costs:</u>		23,150		23,150
TOTAL		180,976		180,976

**Epidemiology and Laboratory Capacity
for Infectious Diseases**

Announcement Number 720

FY 1997 Application

**Vermont Department of Health
108 Cherry Street, PO Box 70
Burlington, VT 05402**

Table of Contents

I	Title Page	i
II	Table of Contents	ii
III	PHS Grant Application	
	SF424 Application for Federal Assistance	iii
	SF424A Budget Information	iv
	SF424-B Assurances	viii
	Certifications :PHFS-5161-1 checklist	x
IV.	Abstract	xv
V.	Narrative	1
VI	Appendix	
	A. Epi curve, Salmonella typhimurium	13
	B. Reporting statute and regulations	14
	C. VIMEDNET	16
	D. Organization charts	25
	E. Budget Narrative	31
	F. Budget In Kind Narrative	34
	G. Letters of support	36
	H. Curriculum vitae	44

ABSTRACT

Objectives of the State Epidemiology and Laboratory Capacity Building Program

Vermont, the most rural state, has experienced a variety of problems related to emerging and re-emerging infectious diseases. These challenges are occurring during an era of ever increasing fiscal constraints at the state and federal levels, and at a time when the health care delivery system is moving rapidly toward managed care.

Recently, a Vermont dairy farm experienced the loss of cattle and human illness requiring hospitalization attributable to *Salmonella* Typhimurium. The identified strain *S. Typhimurium* is DT104 which has been documented in the United Kingdom as causing significant morbidity and mortality. The Epidemiology and Laboratory programs in collaboration with the Centers for Disease Control and Prevention (CDC) and the United States Department of Agriculture (USDA) are investigating the outbreak to learn more about the virulence of this particular strain of *Salmonella* and the husbandry practices that may be associated with transmission among cattle, farm workers and their families.

In 1995, several Vermonters became ill with *Yersinia enterocolitica*, an outbreak that was traced to the consumption of pasteurized milk produced on a New Hampshire dairy farm. Drug resistant *Streptococcus pneumoniae* (DRSP) was made reportable less than a year ago, and in the first six months, 51 cases were reported.

The challenge created by these and other emerging pathogens makes it difficult to sustain an adequate capacity for public health surveillance. The importance of an effective surveillance system includes rapid reporting of both notifiable diseases and other diseases of public health significance. Support from the Centers for Disease Control and Prevention State Epidemiology and Laboratory Capacity Building Program would provide the state of Vermont with the resources necessary to build epidemiology and laboratory infrastructure by implementing a pilot project focused on rural health. This project will feature rapid electronic reporting by health care providers, laboratories and managed care facilities, in three rural communities. They will be electronically connected to the Epidemiology Field Unit (EFU), our surveillance component, the state laboratory, and ultimately hospital laboratories and Vermont's twelve local health district offices. While the initial focus will be specific, the potential for this electronic network is considerable.

This electronic network involving the Vermont Department of Health Laboratory (VDHL), physicians, and the EFU, will allow rapid communication of results of expanded enteric disease testing, which is the primary focus of this initiative. The network will become an integral part of VT MEDNET which was described by The Journal of the American Medical Association as the first comprehensive, state-wide, health information system in the United States.

VTMEDNET has had early and wide spread acceptance by a significant number of the state's health care community. It represents a partnership including the University of Vermont, Fletcher Allen Health Care (Vermont's major medical center), physicians, nurses, the hospital association and state government headed by Howard Dean, M.D., the governor.

The enhanced surveillance component will give us an opportunity to implement Vermont's recently strengthened surveillance statute which specifically requires managed care organizations to comply with disease reporting requirements. Some of the medical practices which have been recruited for participation in this project are associated with managed care organizations.

The rural health focus will involve increased surveillance for enteric diseases in selected medical practices in three Vermont counties. The focus will be on emerging infections.

The State Laboratory will develop capacity for testing bacterial enteric specimens for drug susceptibilities and for conducting shiga-like toxin testing on *E. coli* that are not O157. Antibiotic resistance testing will be performed on all *Salmonella* Typhimurium specimens.

The physician practices in three counties will conduct the increased surveillance. Public health nurses in our district offices serving the three rural communities, will be trained for appropriate community follow up when epidemiological investigations are indicated.

The rural health focus will be enhanced by the creation of an Interagency Coordinating Committee which will examine the intersection of animal and public health issues. The committee will include the Vermont Department of Agriculture, The University of Vermont Division of Agriculture, Natural Resources, and Extension, the Vermont Medical Association, the Vermont Veterinary Medical Association, and the Vermont Farm Bureau. They will provide a forum for discussion and identification of critical infectious disease issues which would benefit from a multi-disciplinary approach. They will prioritize issues as well as develop plans for action.

Since this project will include pediatricians from the three rural communities, in year two, we plan to begin the implementation of an immunization registry, utilizing these physician offices and VTMEDNET. None of the funds received from the Capacity Building Program will be used for this aspect of the network, but it is an example of how this state-wide electronic network will facilitate more rapid and effective communication between all parties interested in and responsible for addressing infectious disease issues.

TYPES OF POSITIONS IN VERMONT STATE GOVERNMENT

EXEMPT

Exempt service positions are excluded from the classified service by State statute. These positions include State Police, temporary positions, elected and appointed positions.

CLASSIFIED

A classified employee is an employee of the State of Vermont who is hired to fill a position in the classified service in accordance with merit principles as administered by the Department of Personnel, and who is paid a salary for work performed in a position in the State classification plan.

LIMITED

A limited service position is a non-tenured position in the classified service which, when initially established, is reasonably expected to exist for a limited duration of less than three (3) years but more than one (1) year. Such positions have a definite termination date and are usually associated with a specially funded project or program.

TEMPORARY

These positions are created on request by an appointing authority to the Department of Personnel when there is a short-term need for additional employees. These positions are outside of the classified service, but are subject to allocation to classes and assignment to pay grades of the State classification plan.

There are six (6) categories of temporary employees: seasonal; fill-in; bona-fide emergency hires; intermittent; sporadic; or ongoing part-time (that averages less than twenty (20) hours per week during any one calendar year, not to exceed 1040 hours in one calendar year).



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STATE OF VERMONT
JOINT FISCAL COMMITTEE
1 Baldwin Street
Montpelier, Vermont 05633-5701

MEMORANDUM

To: Joint Fiscal Committee

From: Virginia Catone *VC*

Date: October 31, 1997

Subject: Quarterly Report - Department of Public Service

Attached for your information is a Federal Energy Regulatory Commission Bill Back report from the Department of Public Service. This quarterly report is required in 30 V.S.A. §20(b)(9), a copy of which also is attached.

Committee action is not required. We suggest if you have questions about the information contained in the report that you contact the Joint Fiscal Office prior to the November 13 meeting so that we can follow through with the Department.

Attachment

cc: C. Salembier, Deputy Commissioner,
Department of Public Service

or regions affected by a proposed facility to assist in determining conformance with local and regional plans and to obtain the commission's data, analysis and recommendations on the economic, environmental, historic, or other impact of the proposed facility in the region.

The personnel authorized by this section shall be in addition to the regular personnel of the board or department or other state agencies; and in the case of the department or other state agencies may be retained only with the approval of the governor and after notice to the applicant or the public service company or companies. The board or department shall fix the amount of compensation and expenses to be paid such additional personnel.

(b) Proceedings for which additional personnel may be retained are:

* * *

(3) hearings resulting from a petition for a merger, consolidation, or acquisition for which the approval of the board is required by law;

(4) hearings resulting from a petition for a certificate of public good;

(5) hearings resulting from a petition to acquire property through the exercise of eminent domain under section 110 et seq. of this title;

(6) hearings resulting from an investigation initiated by the board or resulting from a petition brought by the department;

(7) proceedings under chapter 13 of this title relating to regulation of cable television systems, provided that due regard shall be taken of a cable television company's size and gross operating revenues;

(8) hearings resulting from opinions requested under 30 V.S.A. § 248(h); and

(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.

* * *

—Amended 1987, No. 65, § 7, eff. May 28, 1987; 1987, No. 271 (Adj. Sess.), § 16, eff. June 21, 1988; No. 273 (Adj. Sess.), § 4, eff. June 21, 1988; 1989,

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STATE OF VERMONT
DEPARTMENT OF PUBLIC SERVICE

Memorandum

To: Joint Fiscal Committee

From: Christine S. Salembier, Deputy Commissioner 

Subject: Quarterly Report Pursuant to 30 V.S.A. § 20(b)(9)

Date: October 22, 1997

Enclosed is the quarterly Federal Energy Regulatory Commission Billback Report to the Joint Fiscal Committee as required in 30 V.S.A. §20(b)(9). This report covers the period July 1, 1997 through September 30, 1997.

Please do not hesitate to contact me should you have any questions about this report. I can be reached at 828-4005.

cc: Larry Daum, Budget & Management

VERMONT DEPARTMENT OF PUBLIC SERVICE

Federal Energy Regulatory Commission (FERC) Billback Report
 Pursuant to 30 V.S.A. Section 20(b)(9)
 July 1, 1997 through September 30, 1997

Contractor: McCarthy, Sweeney & Harkaway, P.C.
 Purpose: Legal representation

Report Prepared: October 21, 1997

Expenditures Billed to Utilities:

Utility Name	FERC Docket #	Amount Billed Back	Total
Barton Village Electric Department, Inc.	OA96-74	3.16	83.28
	ER-97-1079;ER-97-237; OA97-237	65.38	
	OA97-300	1.29	
	Order 888; RM95-8; 97-1172; 97-4068	13.45	
Burlington Electric Light Department	OA96-74	77.64	2,043.67
	ER-97-1079;ER-97-237; OA97-237	1,604.32	
	OA97-300	31.58	
	Order 888; RM95-8; 97-1172; 97-4068	330.13	
Central Vermont Public Service Corporation	OA96-74	473.66	16,660.58
	ER-97-1079;ER-97-237; OA97-237	9,786.88	
	OA97-300	192.64	
	OA-96-53	525.00	
	ER-97-888	18.75	
	ER-97-1325	262.50	
	ER-97-3132	1,031.46	
	ER-97-3174	331.95	
	ER-97-3228	884.57	
	ER-97-3435	373.62	
	OA-97-474	18.75	
	OA-97-508	746.89	
Order 888; RM95-8; 97-1172; 97-4068	2,013.91		
Citizens Utilities Company	OA96-74	55.95	7,314.81
	ER-97-1079;ER-97-237; OA97-237	1,156.01	
	OA97-300	22.75	
	OA-96-184	3,004.60	
	ER-97-311	37.50	
	OA-97-454	318.75	
	OA-97-520	262.50	
	OA-97-610	93.75	
	OA-97-643	356.25	
	ER-97-2354	1,768.87	
	Order 888; RM95-8; 97-1172; 97-4068	237.88	
Enosburg Falls Electric Department	OA96-74	3.99	105.11
	ER-97-1079;ER-97-237; OA97-237	82.53	
	OA97-300	1.62	
	Order 888; RM95-8; 97-1172; 97-4068	16.97	
Green Mountain Power Corporation	OA96-74	309.79	8,602.74
	ER-97-1079;ER-97-237; OA97-237	6,400.92	
	OA97-300	125.99	
	OA-96-37	55.12	
	ER-97-1338	393.75	
Order 888; RM95-8; 97-1172; 97-4068	1,317.17		
Hardwick Electric Department	OA96-74	7.01	184.39
	ER-97-1079;ER-97-237; OA97-237	144.75	
	OA97-300	2.85	
	Order 888; RM95-8; 97-1172; 97-4068	29.78	

VERMONT DEPARTMENT OF PUBLIC SERVICE

Federal Energy Regulatory Commission (FERC) Billback Report
Pursuant to 30 V.S.A. Section 20(b)(9)
July 1, 1997 through September 30, 1997

Contractor: McCarthy, Sweeney & Harkaway, P.C.
Purpose: Legal representation

Report Prepared: October 21, 1997

Expenditures Billed to Utilities:

Utility Name	FERC Docket #	Amount Billed Back	Total
Hyde Park Electric Department	OA96-74	2.03	53.42
	ER-97-1079;ER-97-237; OA97-237	41.93	
	OA97-300	0.83	
	Order 888; RM95-8; 97-1172; 97-4068	8.63	
Jacksonville Electric Company	OA96-74	1.20	31.61
	ER-97-1079;ER-97-237; OA97-237	24.81	
	OA97-300	0.49	
	Order 888; RM95-8; 97-1172; 97-4068	5.11	
Johnson Water & Light Department	OA96-74	2.90	76.32
	ER-97-1079;ER-97-237; OA97-237	59.91	
	OA97-300	1.18	
	Order 888; RM95-8; 97-1172; 97-4068	12.33	
Ludlow Electric Light Department	OA96-74	8.47	222.89
	ER-97-1079;ER-97-237; OA97-237	174.98	
	OA97-300	3.44	
	Order 888; RM95-8; 97-1172; 97-4068	36.00	
Lyndonville Electric Department	OA96-74	11.65	306.65
	ER-97-1079;ER-97-237; OA97-237	240.72	
	OA97-300	4.74	
	Order 888; RM95-8; 97-1172; 97-4068	49.54	
Morrisville Water & Light Department	OA96-74	9.16	241.12
	ER-97-1079;ER-97-237; OA97-237	189.28	
	OA97-300	3.73	
	Order 888; RM95-8; 97-1172; 97-4068	38.95	
Northfield Village Electric Department	OA96-74	4.97	130.76
	ER-97-1079;ER-97-237; OA97-237	102.65	
	OA97-300	2.02	
	Order 888; RM95-8; 97-1172; 97-4068	21.12	
Orleans Electric Department	OA96-74	3.18	83.62
	ER-97-1079;ER-97-237; OA97-237	65.65	
	OA97-300	1.29	
	Order 888; RM95-8; 97-1172; 97-4068	13.50	
Readsboro Electric Light Department	OA96-74	0.43	11.21
	ER-97-1079;ER-97-237; OA97-237	8.80	
	OA97-300	0.17	
	Order 888; RM95-8; 97-1172; 97-4068	1.81	
Rochester Electric Light & Power Company	OA96-74	1.48	38.91
	ER-97-1079;ER-97-237; OA97-237	30.55	
	OA97-300	0.60	
	Order 888; RM95-8; 97-1172; 97-4068	6.28	

VERMONT DEPARTMENT OF PUBLIC SERVICE

Federal Energy Regulatory Commission (FERC) Billback Report
 Pursuant to 30 V.S.A. Section 20(b)(9)
 July 1, 1997 through September 30, 1997

Contractor: McCarthy, Sweeney & Harkaway, P.C.
 Purpose: Legal representation

Report Prepared: October 21, 1997

Expenditures Billed to Utilities:

Utility Name	FERC Docket #	Amount Billed Back	Total
Stowe Electric Department	OA96-74	11.08	
	ER-97-1079;ER-97-237; OA97-237	228.95	
	OA97-300	4.51	
	Order 888; RM95-8; 97-1172; 97-4068	47.12	291.66
Swanton Village Electric Light Department	OA96-74	11.28	
	ER-97-1079;ER-97-237; OA97-237	233.11	
	OA97-300	4.59	
	Order 888; RM95-8; 97-1172; 97-4068	47.96	296.94
Vermont Electric Cooperative, Inc.	OA96-74	31.92	
	ER-97-1079;ER-97-237; OA97-237	659.65	
	OA97-300	12.98	
	Order 888; RM95-8; 97-1172; 97-4068	135.73	840.28
Vermont Electric Power Company, Inc.	ER-97-1930	1,633.26	
	ER-97-3312	571.36	2,204.62
Vermont Gas Systems, Inc.	CP97-324	237.53	237.53
Vermont Marble Power Division	OA96-74	1.76	
	ER-97-1079;ER-97-237; OA97-237	36.40	
	OA97-300	0.72	
	Order 888; RM95-8; 97-1172; 97-4068	7.50	46.38
Washington Electric Cooperative, Inc.	OA96-74	16.06	
	ER-97-1079;ER-97-237; OA97-237	331.84	
	OA97-300	6.53	
	Order 888; RM95-8; 97-1172; 97-4068	68.29	422.72
FERC Billbacks 1st Quarter FY98			40,531.22
FY97 Total Billbacks			139,865.94
TOTAL FERC BILLBACKS			180,397.16

MEMORANDUM

To: Joint Fiscal Committee
From: Stephen Klein, Joint Fiscal Officer
Date: October 31, 1997
Subject: Fiscal Office Update

The Fiscal Office has been involved in a variety of activities over the summer:

1. Major Project Report

a) **Property Tax Reform** - Staffing the Property Tax Reform Oversight Committee has been the major staff activity of the Fall. Doug Williams and Catherine Benham are heavily involved in that work as am I to a lesser extent. We have a variety of materials available for legislators' use in explaining potential impacts of the bill. We will have sets available at the Fiscal Committee meeting.

b) **Utility Restructuring** - The House regulatory reform study committee has been meeting regularly. Much of my time has been involved with that committee's work. The House committee is scheduled to have a draft bill completed by December 17th. Given that standing committees of the House will address this subject throughout the session and then a House-Senate conference committee is possible, utility issues are likely to remain part of our work through the session. As of the end of October projected total project spending is \$24,000 of the \$35,000 JFC authorization. The remainder should be utilized during the November - December drafting process.

Maria Belliveau is providing fiscal assistance to the House Judiciary Committee's summer work on DUI. She is also fielding budget related questions while the other staff are involved in property tax reform and restructuring. She has been asked to participate in a conference on child

support in Newport, Rhode Island paid for by NCSL through funding from the Federal Maternal and Child Health Bureau. Senator Rivers, a member of the House, and Herb Olson have also been invited to go.

Doug is involved in energy tax research and various other tax option identification for the Committee on Long-Term Environmental Needs. He is also preparing the Fiscal Facts for 1998.

2. Revenues and Budget Preliminary Issues

Revenues have been strong through the first three months of the fiscal year. At the November 13 meeting we will present a revenue report based on the first four months. Tom Kavet has been invited to the meeting to provide you a sense of revenues going into the critical budget preparation period.

Preliminary word on the FY 1998 budget adjustment is that the Administration is contemplating a net spending reduction of \$4.9 million. This is possible due to lower short term borrowing costs, excess funds in the Property Tax Rebate program and some savings in social welfare. Corrections and the Buildings Department are two areas where budget increases are likely. Both Appropriations committees have scheduled early December meeting dates to get an early start on budget adjustment deliberations.

FY 1999 budget work is just beginning. Given the likelihood of seeing some potential one time revenue increases due to investor behavior with the federal tax law, both our office and the Administration are looking at one time expenditures that could ease future years. On the federal side we have seen some new Health Department grants and more transportation funding which will require additional transportation funds for a state match.

The funding approach for the Equal Education Opportunity Act Education Fund remains an area to be developed over the next few months. The good news is that JFO Act 60 projections made during the development of the bill have proved to be relatively on target to date.

3. Conversion of Vermont's State Government Financial Accounting Software:

Preliminary needs development has been completed and an RFP should be issued in early 1998. The administration should have a sense of the vendor and the costs for the new financial management system as the session progresses. How this cost will be paid (capital funds, an appropriation,

departmental charges) will likely be part of the Governor's budget proposals.

This system, which will be put in place over the next three years, is being designed to provide a wider range of analytical capabilities for the state's financial information. It will also deal with the Year 2000 technological problem Vermont faces. In the legislature, we will be assessing the new system's implications for our computer system software. At this point about 75% of the installed base of Vermont state government is utilizing Microsoft Word and Excel as we continue to use Word Perfect and Lotus.

5. JFO Employee Evaluation:

As of the meeting the staff evaluation process should be completed. The process involves a self evaluation, a staff director evaluation and a individual meeting to discuss the two perspectives. A final signed evaluation then becomes part of the personnel file of the employee. The process has worked well and been generally well received by staff. I plan to set up a fiscal officer evaluation process to take place in the spring and summer after the session is completed.

6. JFO access to Tax Records:

We have been exploring the practice of other states as to legislative fiscal office access to tax records. Vermont's current law allows access based on approval by the Commissioner of Taxes. From our conversations, authority for legislative staff access exists in a limited number of states and has, at times, been provided through statute. Doug Williams is preparing a memorandum for the Committee on this issue.

7. Other Activities:

We will be sending out the Joint Fiscal Office Newsletter in November. It will focus on revenue and budget issues and property tax reform materials available to legislators.

We expect to have a staffing report at the meeting. We are in the process of interviewing candidates to work with Senate appropriations and property tax reform.

Please feel free to call with any questions you might have.

MINUTES

JOINT FISCAL COMMITTEE Meeting of September 11, 1997

The Joint Fiscal Committee convened at 10:05 a.m. in the Legislative Lounge, State House. Senator Spaulding, Vice Chair, presided.

Also present: Senators Backus, Ide, Ready and Rivers
Representatives Aswad, Steele and
Valsangiacomo

Also attending the meeting were Senator Illuzzi;
Representative Perry; Joint Fiscal Office staff; executive branch
officials and staff; and representatives of the news media.

RESIGNATION OF COMMITTEE CHAIR:

1. Senator Spaulding acknowledged Representative Campbell's resignation from the House, effective September 6, to accept a position with Governor Dean's administration. The Senator, as Committee Vice Chair, proposed to act as Chair until at least the next meeting. He anticipated that by November the Speaker of the House will have appointed a replacement for Mr. Campbell as Chair of the House Appropriations Committee, and that the Joint Fiscal Committee thereafter can make a decision about a successor as Chair of this Committee. There were no objections to Senator Spaulding's proposal.

APPROVAL OF MINUTES:

2. On a motion by Senator Ide, the Committee approved the minutes of the July 15 meeting, as submitted.

GRANTS AND OTHER DEPARTMENTAL REQUESTS:

3. (a) **Confirmation of actions approved by telephone poll:**
Representative Steele moved that the Committee formally confirm the approval granted by telephone poll during August 1997 to the administration to:

(1) Accept \$3,165,925 in Federal Emergency Management Agency funds to assist July 1997 flood victims in the five counties of Caledonia, Franklin, Lamoille, Orleans and Washington; and

(2) Disburse up to \$650,000 from the Environmental

Contingency Fund for excavation and related activities at the Windsor School District site. (The members were advised that subsequent to the telephone poll the administration submitted a downward revision from the \$722,000 for which approval originally was sought and received.)

Representative Steele's motion carried.

b. Additional grant acceptance requests: Three new departmental requests for Committee approval were presented, as follows:

(1) **Department of Motor Vehicles (JFO #1776):** A Federal Highway Administration grant in the amount of \$36,680, to automate the transfer of information concerning the tax owed by Vermont resident truckers to other jurisdictions pursuant to the International Fuel Tax Agreement.

(2) **Health Department (JFO #1777):** A grant award in the amount of \$180,000 in fiscal year 1998 from the Center for Substance Abuse Prevention, for the purpose of administering a comprehensive assessment of the substance abuse prevention needs and service systems in Vermont. The total grant award is expected to be \$1,000,000 over a three-year period, with the \$820,000 balance to be included in future budget submissions.

(3) **Agency of Natural Resources (JFO #1778):** From the Council of State Governments, an \$89,000 grant to conduct a Sister Lakes technical exchange program between Lake Champlain and Lake Toba in Indonesia.

On a motion from Senator Ide, the Committee approved all three requests without discussion.

REQUEST FOR FOLLOW-UP INFORMATION ON PRIOR GRANT ACCEPTANCE REQUEST:

4. Representative Steele referred to JFO #1762, a request from the Judiciary approved by the Committee during the summer, under its procedures for action on grants between meetings. The grant project in question included planning a potential drug court demonstration project in one county, and Representative Steele said she personally had contacted someone in the Judiciary to request the inclusion of the Department of Mental Health in the planning process. Although she understood that her suggestion would be followed, she wondered whether the members as a matter of course receive follow-up information on grants on which they have made special requests.

Chief Fiscal Officer Stephen Klein indicated that the Joint Fiscal Office will follow up on an individual item if a member so requests. He promised to do so in this case and to report by letter to Representative Steele.

FLOOD/FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) UPDATE:

5. Administration Secretary Kathleen Hoyt reported on the administration's efforts thus far with respect to obtaining federal disaster assistance for Vermont communities affected by severe flooding in five central and northern counties between July 15 and 17 of this year.

Prior to Ms. Hoyt's report, the Acting Chair solicited and received the Committee's assent to allow Senator Kittell to be a party to this discussion via speaker telephone.

Secretary Hoyt described the categories of federal funding under the Federal Emergency Management Act from which relief is being sought and provided a breakdown by category of the estimated \$4,100,000 relief which is expected from FEMA. For individual family grants, \$120,000 is available; the amount for temporary housing and minimal repair of housing is expected to be approximately \$513,000; and \$3,500,000 is the estimated assistance for public infrastructure needs.

The match ratio is 75%-25% federal-state/local, which means over \$900,000 must be produced by the State and municipalities. If past practice for flood damage relief is followed, the 25% match for public infrastructure would be shared evenly, 12.5% each. The administration hopes to cover some of the State's match needs through community development block grants. Ms. Hoyt noted that concerns have been raised as to whether poor communities can afford the match, and she said that is a policy issue that must be addressed.

She also outlined federal funding which may be available for long-term recovery and prevention. A FEMA 75%-25% matching hazard mitigation program would provide an estimated \$500,000 to help prevent future recurrence of flood-related disasters. Thomas Torti, who is Commissioner of State Buildings and General Services and who accompanied Secretary Hoyt, serves as chair of a hazard mitigation committee that is working on development of a recovery plan to set priorities for use of the funds available for flood disaster mitigation efforts and to establish some options, as well as to match available funds for mitigation with what might be leveraged from the Agency of Housing and Urban Development and other federal programs.

Furthermore, the federal Department of Agriculture Natural Resources Conservation Service is a source of potential funding to help address river and stream bank stabilization issues. The Secretary cautioned, however, that \$625,000 is required to match the \$2,500,000 potentially available from the federal government, and she suggested creativity is called for in terms of how to produce the state/local share.

Secretary Hoyt talked about creating a state emergency fund to respond to future disasters. A potential source of funding might be the Community Development Block (CDBG) grant. She indicated that as-yet undetermined is the percentage of CDBG funds which will be applied to assist with federal match requirements and what amount will be used in other ways.

The total federal aid which may be available is estimated at \$9,100,000, with the matching contribution from the State and local communities estimated at \$1,600,000.

Committee members deliberated at length over the state's response to the flood disaster and the levels and kinds of assistance provided to towns and individuals affected. Most of the questions and comments focused on how timely the assistance has been and the need to provide help in cleanup before the weather changes dramatically; the degree of detailed documentation required to qualify for federal aid; the difficulty for the entities and individuals affected to provide the required matching funds; and the lack of programs to provide relief to farmers.

Distributed to the members during the discussion were copies of a September 11 memorandum to the Committee from Senators Ready and Illuzzi on the subjects of the U. S. Department of Agriculture Natural Resources Conservation Service grant to assist with river and stream bank stabilization and stream channel cleaning, the FEMA matching grant program; and proposed changes to the State's policy on removing sediment deposits in stream channels. Also distributed was an August 8 letter to the Governor signed by House Speaker Obuchowski and Representatives Perry, Starr and Gervais, outlining a series of recommendations pertaining to the disaster recovery efforts, including suggestions of additional resources to help meet needs not addressed by federal aid.

Senator Illuzzi and Representative Perry, at the invitation of the Acting Chair, verbally recapped concerns and proposals raised in their respective letters. Senator Kittell also described her fears on behalf of farmers in the affected region because of the lack of programs to assist them in such areas as feed for their animals.

Responding to concerns expressed by Senator Ready and addressed in the September 11 memorandum from her and Senator Illuzzi, Administration Secretary Hoyt acknowledged that there is a dearth of federal funding to assist farmers whose crops were devastated by the flooding. The administration, she reported, has discussed this situation with U. S. Senator Leahy. She said that farmers suffering crop losses as a result of the flood emergency are eligible for unemployment compensation and personal income support. Later in the meeting Mr. Torti reported that he had learned from a Department of Employment and Training employee that approximately twelve to fourteen claims have been submitted under the federal emergency declaration. Data on how many of the individuals are farmers was unavailable.

In the course of the discussion Secretary Hoyt observed that increasingly FEMA is looking at what can be funded at the federal level, and she is worried that eventually that agency may determine not to put 75% match into states, even with a Presidential disaster declaration. Ms. Hoyt thought the state must do more in terms of a coordinated disaster recovery effort, and she suggested that the administration may propose to the Legislature to make an investment at the state level to provide assistance for the people and needs not qualified to receive aid under federal emergency assistance programs.

Representative Steele was concerned about the apparent slowness in sending flood relief assistance to municipalities, and the Administration Secretary promised to find out how many checks already have been sent.

Reviewing the recommendations for Joint Fiscal Committee action outlined in the memorandum from Senators Ready and Illuzzi, Senator Rivers indicated that in the absence of scientific information on stream channel maintenance, she was not prepared to call on the Agency of Natural Resources to reexamine existing state policy in this area. Several other members, however, felt that to avert further disaster during next spring's runoff, some immediate mitigation of severely clogged riverbeds is essential. Senator Backus considered debris removal a problem which should be addressed immediately by executive action, and she introduced a motion that the Committee strongly communicate that to the administration. She later withdrew her motion, after the members agreed on the text of an alternative proposal incorporating recommendations from Senators Ready and Illuzzi.

As the discussion drew to a close, Secretary Hoyt advised that after listening to the concerns expressed, she intended to propose to Governor Dean that the State pay the full 25 percent local match (an estimated \$625,000) required by the USDA Natural Resources Conservation Service to assist with stabilization of

river and stream banks and clearing of debris from streams. She further pledged to recommend the State pay more than the 12.5% it traditionally pays as half the FEMA local match requirement. She recalled action taken during the past legislative session with respect to assistance to the Town of Wolcott, when a policy that had been in effect in the late 1980's and early 1990's was applied: that the State would not require a town to pay more than 10% of its municipal expenses as match for FEMA. She suggested that if that standard can be applied fairly to all communities, a case could be made for following that precedent, and she pledged to do so.

The Secretary also told the Committee that the Commissioner of Agriculture has been asked to work with the affected farmers to delineate their array of needs as a result of the flooding, in order to determine the amount of money required. She acknowledged there may be a need to present recommendations to the Legislature on ways to handle the funding gap for aid to farmers.

Finally, Secretary Hoyt told the members that the Agency of Natural Resources has been directed to work with communities on stream bed policies; and that the committee chaired by Mr. Torti which is developing a comprehensive recovery plan will look at specific information about families and a way to handle housing needs. In conclusion, she pledged to work on ways to expedite the flow of paperwork and checks, and she reiterated that the administration will present recommendations to the Legislature on what needs to be in place in terms of future disaster recovery efforts. Senator Backus asked the Secretary to commit these proposals to writing.

The discussion concluded with the adoption of a motion from Senator Ready reading as follows:

The Joint Fiscal Committee:

- (1) recommends to Governor Dean and the Emergency Board that state funds be immediately made available to municipalities to match requirements of the USDA program;
- (2) calls on the Governor to develop and implement a means-tested formula consistent with historic policies for the FEMA grant program;
- (3) requests the Governor to direct the Agency of Natural Resources to deal with emergency stream management maintenance on the affected rivers and streams; and

(4) asks the Governor to request the Commissioner of Agriculture to present a plan to the Joint Fiscal Committee at its November meeting to deal with crop loss resulting from the flooding and to inform all farmers affected of the availability to them of emergency unemployment benefits.

REVENUE UPDATE:

6. Secretary Hoyt, accompanied by administration economist Jeffrey Carr and William Petterson from the Department of Finance and Management, presented a brief report on revenues for the months of July and August. General Fund receipts were 7.1 percent above the corresponding period in fiscal year 1997, an increase of \$3.4 million over estimates. Ms. Hoyt was cautiously optimistic about the revenues, noting that several unknown factors remain key concerns, including Federal Reserve Board action on interest rates and the fall and early winter tourism seasons.

As far as the Transportation Fund is concerned, she referred to discussion at the July 15 meeting concerning process issues and advised that the Agency of Transportation has instituted new policies to help catch up with the backlog. She suggested that processing delays may account for as much as \$1.5 million less than expected in the Transportation Fund for the first two months of the fiscal year; thus, while that fund appears to be approximately \$900,000 below estimates, she anticipated the revenues will be recovered within thirty to sixty days.

In response to Senator Rivers' request to provide the administration's monthly revenue targets to the staff of the Joint Fiscal Office, Secretary Hoyt indicated something will be worked out. Mr. Carr said he already had been discussed this issue with Thomas Kavet, economic consultant for the Joint Fiscal Office, and that the information would be provided.

Mr. Carr also replied to concerns of the Acting Chair concerning reported declines in housing starts and construction employment figures. He explained, for instance, that it is difficult to overcome construction figures from 1997 because that was an extraordinarily strong year for school construction and other large projects such as supermarkets.

Mr. Carr and Mr. Petterson then described their efforts to discover possible reasons for the flat gasoline tax receipts as discussed at the Committee's July meeting. In essence, they reported that they found no compelling factors or reasons to explain why consumption has been relatively static. Acting Chair Spaulding said he would like to know whether per capita gasoline

consumption in Vermont is comparable to that of other New England states.

Chief Fiscal Officer Klein called members' attention to a September 5 report, mailed in advance, from Douglas Williams, Deputy Fiscal Officer, comparing August revenues to Joint Fiscal Office monthly targets.

FIRE SAFETY TRAINING COUNCIL:

7. Included in the meeting agenda packets for the Committee's information was a quarterly report from Wayne Babcock, Executive Director of the Vermont Fire Service Training Council. Act No. 186 of the 1996 General Assembly requires quarterly reports "on the status of training programs and expenditures" of the Council to be submitted to the Commissioner of Public Safety and the chairperson of this committee when the Legislature is not in session.

Senator Ready voiced concern over a provision affecting the Council contained in Act 61 (the FY 1998 omnibus appropriations bill) of the 1997 session and reinforced in the Statement of Legislative Intent in regard to that act. Specifically, she took issue with the apparent intent to consolidate the Council with other training organizations. To the contrary, the Senator expressed opposition to any action which would eliminate the Council as a distinct entity. She explained that she wants the state to fund volunteer fire departments' training classes each year and to provide them in a positive way with a budgeting format and assistance that will end the controversy and questions which she felt has characterized past deliberations on this subject.

Administration Secretary Hoyt, who is charged with developing a comprehensive plan for emergency services training providers described in Sec. 106a of Act 61, mentioned that a group of people at the local level, with assistance from a State budget analyst and others including Mr. Babcock, are developing recommendations which are due to her on October 1. She then intends to broaden input to include representatives of other, outside associations and organizations, with the expectation of presenting a plan to the General Assembly in the 1998 session. She indicated she was aware of Senator Ready's concerns over the funding problems and coordinated planning and how the funds for the fire departments' training classes are expended, and she stated that the administration is proceeding in that direction.

BANKING, INSURANCE, SECURITIES AND HEALTH CARE ADMINISTRATION - SPECIAL FUNDS:

8. Marty Hanifin, accompanied by Steve Kappel, answered members' questions about certain information contained in a report from Elizabeth Costle on the Department of Banking, Insurance, Securities, and Health Care Administration historical receipt performance. The report was submitted in response to the Committee's July 11 request.

Acting Chair Spaulding, referring to a proposal made at the July meeting, expressed the opinion that this Committee does not have the authority to allocate excess insurance receipts.

HOUSE ELECTRIC UTILITY REGULATORY REFORM COMMITTEE - WORK PLAN AND BUDGET:

9. The attached work plan and budget were presented on behalf of the House Electric Utility Regulatory Reform Committee, as required by Sec. 272c of Act 61 of the 1997 session. Initial action by the Joint Fiscal Committee at its July 11 meeting authorized the expenditure of \$15,000 for specified preliminary work and called for a final work plan and line item budget to be submitted at this meeting.

Senator Rivers complimented that committee's plan and moved approval of their proposed recommendation, as follows:

The Joint Fiscal Committee approves the work plan and budget as presented for the House Electric Utility Regulatory Reform Committee, and authorizes up to an additional \$20,000 in spending authority for a total of \$35,000 under Act 18 of the 1997 session. Further it asks that it be updated with a status report at the November 11 Joint Fiscal Committee meeting.

The Committee voted favorably on the motion.

CONFIDENTIAL TAX INFORMATION:

10. Referring to a request at the July meeting regarding providing the Joint Fiscal Office with access to confidential tax information, Acting Chair Spaulding called attention to Douglas Williams' memorandum on the subject, including a copy of the State of Wisconsin's statute on this subject and a sample of a written agreement whereby legislative fiscal staff in that state may examine confidential tax records.

Mr. Klein reported that he has discussed this subject with Robert Gross, a tax policy analyst in the Department of Taxes and also that department's disclosure officer, and he invited him to comment on the subject. Mr. Gross reported briefly on confidentiality and the administration's efforts to determine if some of the limited data now available to the administration's revenue analyst, Jeffrey Carr, can be shared with Thomas Kavet of the Joint Fiscal Office.

The Acting Chair, noting that Representative Freidin was particularly interested in this subject but could not attend this meeting, proposed that an update on this subject be presented in November.

FISCAL OFFICER'S REPORT:

11. Referring to one of the subjects addressed in his written report, Mr. Klein distributed copies of the Michigan State Senate Fiscal Agency employee evaluation form. He indicated that the Joint Fiscal Office may model its own staff evaluation process on the Michigan format and asked for the members' comments on it as soon as possible.

The meeting was adjourned at 12:25 p.m.

Attest:


Virginia F. Catone



STATE OF VERMONT

HOUSE OF REPRESENTATIVES
STATE HOUSE
TELEPHONE: (802) 828-2231

MAILING ADDRESS:
115 STATE ST
MONTPELIER VT 05633-5201

HOUSE ELECTRIC UTILITY REGULATORY REFORM COMMITTEE

Work Plan and Budget

The House Electric Utility Regulatory Reform Committee has begun work meeting three times prior to the September 11, Joint Fiscal Committee meeting. The Joint Fiscal Office has engaged Scott Hempling to assist the House Committee in its deliberations. It is expected that Scott Hempling will be the primary outside contractor employed in this effort however others may be utilized as needs are determined.

1. Work plan:

The Committee has the following Work plan:

August 12 through September 10: Identifications of key problems and opportunities in current regulatory system and preliminary identification of options.

September 17th - October 29th: fact finding, testimony and development of identified strategies and committee decision on proposed concept.

October 29th - December 15: Further development and finalization of proposal, testimony and discussion of proposal and preparation of final report and recommendations for legislative action.

2. Budget Projection:

In order to accomplish these tasks we expect to spend a total not to exceed \$35,000 of the \$70,000 authorized for electric restructuring with the remainder available for committee work during the session. The expenditure will be as follows:

1. Initial consulting contract of JFO with Scott Hempling for assistance with problem identification and option development (through 9/15): \$7,500

Primarily telephone discussions, preparation of background memorandums and participation in the Committee's 9/10 meeting.

2. Additional contract assistance from Scott Hempling primarily for option development and legislative drafting: \$22,500

The Joint Fiscal Office expects that Scott Hempling will be their primary consultant for support of the House Committee. Richard La Capra and Peter Bradford may be providing additional services related to specific questions and these individuals will likely be subcontracts of Scott Hempling if necessary. All these individuals were respondents to the RFP issued by the Legislative Council in February during the last session.

3. Reserve for other testimony, materials or research and preparation needs: \$5,000

Tom Kavet may also be used in a limited capacity if the need arises. Funds may also be used in connection with modeling economic impacts of particular options and other committee support activities.

4. Unallocated funds maintained as a reserve for further deliberations: \$35,000

Of the total appropriation of \$70,000 the House special committee intends that at least \$35,000 will be available for legislative deliberations during the session.

The Legislative Fiscal Committee has already authorized up to \$15,000 for expenditure by the House Electric Utility Regulatory Reform Committee. At this time we are requesting authorization for expenditure of up to an additional \$20,000 which should be enough to complete all tasks on the committee's work plan.

Proposed motion: The Joint Fiscal Committee approves the work plan and budget as presented for the House Electric Utility Regulatory Reform Committee, and authorizes up to an additional \$20,000 in spending authority for a total of \$35,000 under Act 18 of the 1997 session. Further it asks that it be updated with a status report at the November 11 Joint Fiscal Committee meeting.

REVISED AGENDA

JOINT FISCAL COMMITTEE

November 13, 1997

Legislative Lounge

10:00 a.m.

- 10:00 a.m. 1. Call to order
2. Approval of minutes of September 11 meeting (attachment)
- 10:05 3. Departmental requests
a. New grant acceptance requests mailed to Committee November 4:
 (1) JFO #1785 - Health Department, Office of Alcohol and Drug Abuse Programs - \$2,124,357 grant from U. S. Department of Health and Human Services (HHS)
 (2) JFO #1786 - Department of Developmental and Mental Health Services - \$561,637 grant from HHS
b. Action on items mailed to Committee on October 27, 1997:
 (1) JFO #1781 - Department of Environmental Conservation - \$21,125 grant from U.S. Environmental Protection Agency
 (2) JFO #1782 - Governor's Commission on Women - \$94,074 grant from HHS, Office of Rural Health Policy
 (3) JFO #1784 - Department of Fish and Wildlife - \$1,250 grant from the National Wild Turkey Federation
- 10:45 4. Revenues and related Administration
 Joint Fiscal Office (T. Kavet - including update on access to confidential tax information)
- 11:15 5. Administration update on Windsor School cleanup
- 11:25 6. Agriculture Department report on plan to deal with crop loss resulting from summer flooding (requested at September meeting)
- 11:40 7. Other items:
a. Items for information
 (1) Department of Public Service quarterly report - billbacks (attachment)
b. Joint Fiscal Office
 (1) Electric Utility Regulatory Reform Committee spending update
 (2) Fiscal Officer's report (attachment)
 (3) Fiscal Office staffing
- 12:10 p.m. Election of Chair
- 12:20 Adjournment

DISTRIBUTION LIST
Joint Fiscal Committee Agenda Material

10/31/mauling

	<u>Full Packet</u>	<u>Agenda + Approp. Item[s]</u>	<u>Minutes</u>
✓ JFC members	10 [1 each]		10 [1 each]
JFO:			
✓ Catherine	1		1
✓ Doug	1		1
✓ Maria	1		1
✓ Steve	1		1
✓ Ginny	1		1
✓ permanent file	1		2
Others:			
✓ Secretary of Admin.:			
✓ Secretary	1		1
✓ Su Wolters	1		1
✓ Bill Russell	1		
✓ Herb Olson	1		
Finance & Management:			
✓ ✓ Commissioner & Deputy Comm.	2		2
✓ Otto Trautz	1		1
Larry Masterson			1
Agencies/depts. [with item(s) on agenda] :			
✓ Agric (Graves + Ken Becker)			
✓ Personnel (E. Boland)			
✓ B. Seaton			
Personnel [Bill Rose]			1
Legislators/others:			
✓ -Rep. Pembroke		1 + Transp. item(s)	
✓ -Rep. Vincent		1 + Education item(s)	
✓ -Speaker Michael Obuchowski	1		
✓ -Rachel Levine		1 + restructuring item(s)	
-extras [press, meeting]	<u>6</u>		
	30		23+

*Agenda for each dept.; 1-2 full sets to be distributed item-by-item to dept. [& super-agency head] as appropriate

PRELIMINARY AGENDA

JOINT FISCAL COMMITTEE

November 13, 1997

Legislative Lounge

10:00 a.m.

- 10:00 a.m. 1. Call to order
2. Approval of minutes of September 11 meeting (attachment)
- 10:05 3. Departmental requests
- a. New grant acceptance requests (*four are expected and may be mailed separately the week of November 3; they may require adjustments in starting times for remaining agenda items and later adjournment*)
- b. Action on items mailed to Committee on October 27, 1997:
- (1) JFO #1781 - Department of Environmental Conservation - \$21,125 grant from U.S. Environmental Protection Agency
- (2) JFO #1782 - Governor's Commission on Women - \$94,074 grant from U. S. Department of Health and Human Services, Office of Rural Health Policy
- (3) JFO #1784 - Department of Fish and Wildlife - \$1,250 grant from from the National Wild Turkey Federation
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- a. Items for information
- (1) Department of Public Service quarterly report - billbacks (attachment)
- b. Joint Fiscal Office
- (1) Electric Utility Regulatory Reform Committee spending update
- (2) Fiscal Officer's report (attachment)
- (3) Fiscal Office staffing
- 12:00 p.m. Adjournment



STATE OF VERMONT

DEPARTMENT OF AGRICULTURE, FOOD & MARKETS

OFFICE OF THE COMMISSIONER
DIVISION OF AGRICULTURAL DEVELOPMENT
DIVISION OF ANIMAL & DAIRY INDUSTRIES
DIVISION OF PLANT INDUSTRY, LABORATORIES & CONSUMER ASSURANCE

M E M O R A N D U M

TO: Joint Fiscal Committee
FROM: Kenneth M. Becker
DATE: November 13, 1997
RE: Agricultural Damage of July 1997 Flood

I. SUMMARY OF THIS NATURAL DISASTER

During July 14 through July 16, 1997, 4 to 8 inches of precipitation fell on a swath of northern Vermont with the heaviest rainfall centered over Jay Peak. The heaviest concentration of rain fell in a 6 hour period triggering flash floods in small tributaries and wider scale flooding in the larger river valleys. On July 25, 1997, President Clinton declared the five Vermont counties of Caledonia, Franklin, Lamoille, Orleans and Washington eligible for disaster assistance.

II. SUMMARY OF ACTION STEPS TAKEN

On July 18 and 19, Commissioner Graves toured portions of the flood affected area along with the Governor and other members of the Administration. On July 22 and 23 the Commissioner and Deputy Commissioner Ken Becker traveled to Franklin, Orleans and Lamoille Counties specifically to visit with farmers affected by the flooding. The State Director of USDA Farm Service Agency (FSA) accompanied them both days to explain the various USDA Disaster Assistance Programs that come into effect following a Presidential declaration. Also in attendance at various stops were Senator Sara Kittell, Rep. Avis Gervais, Rep. Albert Perry, Rep. Robert Starr and Sen. Susan Bartlett. In total, 85 farmers were present at these gatherings. In addition to meetings with farmers at various town clerks offices to explain assistance offerings and hear their concerns, several sites affected by flooding were visited. Among the flood damage observed were: flooded crops, washed out fields, debris covered fields, farm





road damage (including woods roads for maple syrup and logging), building damage, flooded equipment, stored feed losses and lost animals.

Subsequently, Deputy Commissioner Ken Becker consulted with the Vermont Department of Health and met with representatives from USDA Farm Service Agency, USDA Natural Resource Conservation Service, the UVM Extension Service and UVM Plant and Soil Science Department. The Department of Health provided basic precautions regarding disease potential in water supplies and food, and they made recommendations concerning sanitation, hygiene, chemical hazards, personal health and cleanup. They also provided free water sampling to test for bacteria. UVM Extension personnel provided technical assistance and advice to farmers concerning the advisability of storing or feeding flood affected crops. They also made assessments of fields with silt covering the existing crop to determine if these fields should be replanted next year. The Department of Agriculture compiled and distributed these health and safety tips and recommendations about flood affected crops and feed.

III. USDA DISASTER ASSISTANCE PROGRAMS

A. Natural Resource Conservation Service (NRCS) Programs:

1. Emergency Watershed Protection Program (EWP) - pays up to 75% of the costs of correcting problems when a clear threat to life and property exists; projects must be sponsored by a local municipality. EWP essentially protects against future damages.

NRCS identified 170 sites in the five county region as eligible for the EWP program. Vermont received \$2.4 million in EWP funding. Of the measures identified for assistance, approximately \$950,000 was for town highways, \$210,000 for other town property and the balance was for individual property owners. Projects identified as exigencies (the most pressing or urgent) were completed in August and September. The non-exigency projects proceeded throughout the fall and will continue as landowners' and contractors' time allows.

The EWP funds were only applied to protect threatened structures (buildings, bridges and roads). No funds were eligible or available for streambank protection for farm fields. Currently, USDA aid programs provide virtually no assistance for



agricultural landowners to repair and stabilize streambanks which border farm fields.

B. Farm Service Agency (FSA) Programs:

1. Emergency Conservation Program (ECP) - assists with field restoration, debris removal and cleanup; ECP excludes from eligibility the rehabilitation of streambanks.
2. Catastrophic Crop Insurance Program (CAT) - covers 60% of the market value on losses which exceed 50% of normal production for program crops (primarily corn in Vermont).
3. Noninsured Crop Disaster Assistance Program (NAP) - provides some protection for crops not covered by federal crop insurance such as hay, vegetables, etc.
4. Emergency Loan Assistance (EM) - is an Emergency Loan fund at subsidized rates (3.75%) to restore property, pay production costs, and refinance appropriate debts.

To date, most farmers have not seen much if any assistance for crop and feed losses under USDA Farm Service Agency programs. Under current federal rules, CAT (crop insurance) is required before farmers are eligible to qualify for Emergency Loan Assistance. Farmers have eight months in which to apply for loans. **FSA reports that to date they have received no applications for Emergency Loans.** The Catastrophic Insurance Program requires that the farmer suffer a 50% loss of the insured crop to be eligible for program assistance. Any loss amount over 50% is paid at 60% of the current market value for the crop. As a result, a farmer suffering a 100% loss will only receive 30% of the value of the crop. Most farmers have a portion of their crop in the floodplain and a portion on higher ground, and most farmers did not suffer even the 50% loss needed to trigger Catastrophic Insurance Program coverage. **FSA reports that they have received only one claim for Catastrophic Insurance Program coverage.** FSA reports they are submitting a request to the national office for Noninsured Crop Disaster Assistance Program (NAP) funds for six or seven vegetable operations growing specific crops affected by the flood. **At most, NAP funds will not exceed 30% of the total losses (reported to be \$185,000) for these crops.**

Under the ECP restoration and cleanup program, funds can be used to remove debris, restore fences, grade and reshape farmland and restore structures. ECP provides cost share assistance up to 64% of the losses that are established by the FSA county committee. Total cost share per acre shall not exceed 50% of the agricultural market value of the land. Cost share assistance per individual farm is approved by the county committee if it is below \$20,000; requests between \$20,000 and \$62,500 must be approved by the State FSA committee; requests above \$62,500 must be approved in the national office. Vermont received \$300,000 in FSA restoration moneys. To date, \$10,573 has been paid out, \$158,692 has been approved and an additional \$87,400 in requests are pending approval.

C. Estimates of Actual Crop Losses

USDA Farm Service Agency estimates of the value of actual crop losses were not completed until late October (see Table 1) because estimated losses for crop insurance programs are not completed until after harvest.

Table 1. ESTIMATED VALUE OF CROP LOSSES FROM JULY 15 FLOOD¹

<u>Crop</u>	<u>Estimated Value</u>	<u>Approximate # of Farms</u>
Corn	\$209,000	50
Hay	156,000	100
Vegetables	185,000	10
Christmas Trees	<u>6,000</u>	<u>1</u>
Total Crop Losses	\$556,000	161

USDA does not presently have a funded livestock feed program to provide assistance to livestock producers experiencing feed shortages as a result of natural disasters. The Vermont State FSA office in conjunction with neighboring New England states has requested the national office for funds due to the flood in the north and draught conditions to our south, but have so far been told that no funds are available at this time. The EM loan program at FSA and the Vermont Economic Development Authority's (VEDA) farm loan programs may be able to assist some farmers, but

¹ Based on USDA Farm Service Agency Estimates October 28, 1997



will certainly not meet all the needs for everyone. This is especially true for some of the younger farmers that are just beginning to establish their operations.

IV. DISASTER UNEMPLOYMENT ASSISTANCE

When a Presidential Disaster Declaration goes into effect, Disaster Unemployment Assistance is made available. Self-employed people are eligible to apply for program benefits if they have suffered a reduction or loss of income related to the disaster and they are ineligible for traditional unemployment program benefits. If a self-employed farmer loses a crop or cannot get onto his fields because of flood damage, he has lost income and is technically eligible for program benefits. The difficulty is in quantifying and calculating the value of that lost income. Federal Emergency Management Agency provides the funding and directs applicants to the state Department of Employment and Training (DET). DET administers the program using a formula to calculate weekly benefits and processes applications.

DET reports that the application deadline for benefits expired 30 days after the public notice went out (in late July or early August). They approved 18 applications for Disaster Unemployment Assistance, of which 6 are currently active. **DET has disbursed approximately \$23,000 of these federal funds to date.** No applications were received from farmers.

V. RECOMMENDATIONS FOR ACTION

1. Meeting the forage needs of affected farmers

Based on USDA estimates, Vermont livestock farmers in the five county disaster area lost \$365,000 worth of forage (corn and hay crops). Farmers are reporting that they have bought extra feed, harvested a subsequent crop, received aid from neighbors, are selling replacement animals because they lack the forage to feed them, are buying extra concentrates to make up for lowered feed quality and/or salvaged some of the stored crop that was damaged by the flood. Each of these families remains concerned about having adequate inventories to meet their forage needs through the winter. Several dairy farmers in the 50 to 60 cow size category report that paying for the feed they already have gone into debt to acquire or still need to purchase will cost



\$5,000 to \$7,000 per farm over the next several months. The Department of Agriculture, Food and Markets will be working with the Administration to attempt to find \$100,000 for a livestock feed program. Such a program would be of substantial assistance to affected farmers, and would certainly aid some of the younger farm families facing difficult choices. This amount would cover only 25% to 30% of the estimated losses, but would demonstrate a good faith effort on behalf of the state to assist affected farmers and would be a sufficient benefit to enable most, if not all of them, to continue their operations.

2. Streambank stabilization efforts

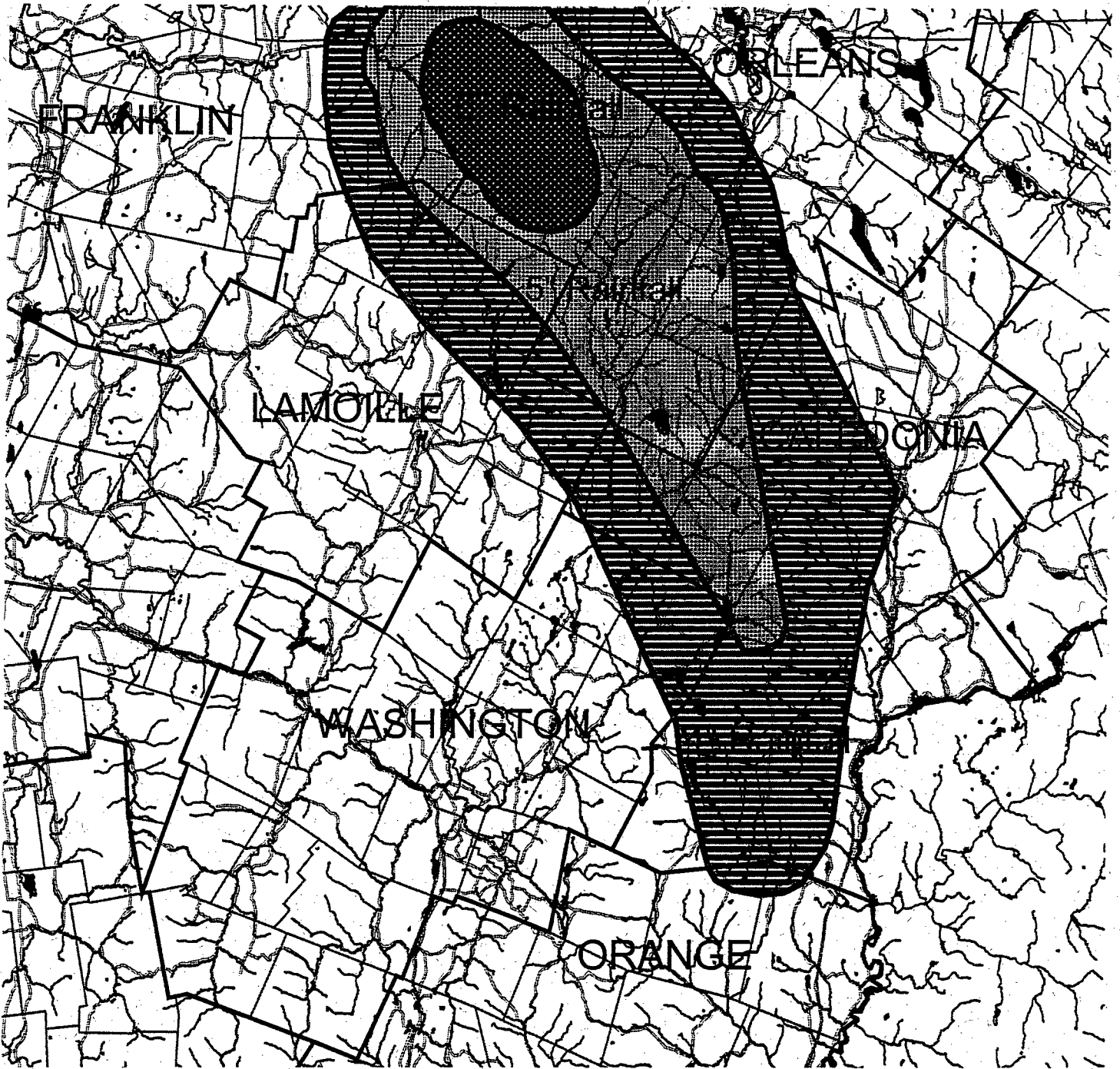
Federal programs assign a low priority to structural conservation practices because of the low scores granted for the soil loss prevented per unit cost of treatment. The current evaluation procedures do not reflect actual protection from losses to continual streambank erosion. Protective measures do not only protect the square footage of streambank frontage; they also protect the potentially much larger areas behind that frontage. For example, riprap along a 5,000 foot streambank does not just protect the 5,000 square feet of treatment area, it also protects the many thousands of square feet within the field that will eventually erode if the treatment is not installed. **USDA and Congress should re-evaluate current methods of calculating the cost-effectiveness of ECP and EWP program benefits to take into consideration agricultural land protection.**









Vermont could consider expansion of the Best Management Practices (BMP) program to provide cost-share assistance for riparian zone treatments. **Streambank erosion protection should be a defined BMP that is covered under this funding mechanism.**

ken/wp/floodjtfsc1



High Rainfall Areas - 4-6" Flood of '97



-  Dlglake
-  Dlgsw250
-  Rdsmaj2
-  Cnty250
-  Tb250
-  Precip-6".shp
-  Precip-5".shp
-  Precip-4".shp

Northern Vermont Region:
Franklin, Lamoille, Orleans,
Orange, Washington and
Caledonia Counties



- Goal 1. **Merge Substance Abuse
Prevention Funding Streams**
- Goal 2. **Use Research Based Models**
- Goal 3. **Fund Community Coalitions**
- Goal 4. **Evaluate Results**



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STATE OF VERMONT
JOINT FISCAL COMMITTEE
1 Baldwin Street
Montpelier, Vermont 05633-5701

MEMORANDUM

To: Joint Fiscal Committee
From: Stephen A. Klein
Date: November 7, 1997
Subject: Staffing Proposal

As discussed during our September telephone conversations, we placed advertisements in Vermont newspapers for our additional staff needs. The staff positions planned are one new revenue staff position and a more permanent solution to staffing the Senate Appropriations Committee. We have completed the first round of interviews for both positions and have some good candidates. Finalists will be introduced to the appropriate committee chairs before a final decision to hire is made.

We do not know the salary or conditions of employment which will be required for these positions, however, we anticipate salaries in the \$17-\$20 per hour range and the need to offer limited service exempt status which allows payment of benefits. For this reason we need Joint Fiscal Committee authorization to create up to two limited service exempt positions. The two new positions are:

1. Revenue Analyst Position - Purpose: *Enable us to return to the practice of assigning staff to the Senate Finance and House Ways and Means Committees while recognizing the continuing work pressure of property tax reform.*

Rationale: Throughout the Summer and Fall the implementation of property tax reform has absorbed a level of staff resources which we will be unable to provide in the upcoming session. Even with the staff resources provided, the work pressure and time lines related to this effort have threatened the accuracy of our work product. After discussions with Committee members and other legislative leaders, it is clear that the Act 60 related work requirements will continue this year and onward through full implementation. This mirrors the assessment of our staff in internal discussions. For the

next year or so we will need additional staff resources dedicated to this initiative which impacts \$700 million in state and local spending. In addition, added responsibilities associated with the Fee bill and continuing economic development initiatives, make our current staff levels inadequate.

Our plan is to hire an additional staff person which will allow us to provide each revenue committee with an assigned staff member as well as covering Act 60 issues. We hope to also free up some staff time to meet other revenue staffing needs.

2. Senate Appropriations Committee Position - Purpose: *To provide the Senate Appropriations Committee with regular ongoing staff support and free up the fiscal officer to meet assistance needs in a variety of revenue and appropriations issues and other matters that arise during the session.*

Rationale: For the past few years I have been working with Rebecca Buck and a temporary session employee to staff the Senate Appropriations Committee. The Committee has had four temporary session employees over the past five years. The Chair of the Senate Appropriations Committee expressed concern that we need to have a permanent staff person assigned to the Committee. My own ability to play this role continues to diminish as I am likely to find my work to be more management and issue oriented. This is due, in part, to the expanded variety of issues that the legislature is taking on, including continued work on Act 60 and utility reform. For this reason we are working towards hiring a permanent employee for the Senate Appropriations Committee that can provide some continuity from one year to the next. We would prefer to find someone who will work reduced hours in the summer, however the quality of the individual and the need for some permanence in this position is critical. Our plan is to hire an individual who can staff the Senate Appropriations Committee in a manner parallel to Maria Belliveau's staffing of the House Appropriations Committee. The addition of this limited service position will allow me to assume a back up role for the Senate Appropriations Committee as well as make myself available for session issues including utility reform.

If the two positions are authorized and utilized, the fiscal implication for FY '98 could be up to \$35,000, which would have to be appropriated in the Adjustment Bill, and up to \$82,000 additional funds in FY '99. Due to the degree of uncertainty this puts on the overall budget of the Joint Fiscal Committee we will submit the budget for Committee approval in early January.

Proposed Motion: In accordance with budgetary intent in Joint Fiscal Office staffing, and under the authority granted in 2 VSA Chapter 15, Section 502 (b), the Joint Fiscal Committee authorizes the creation of two limited service exempt positions in the Joint Fiscal Office.

TYPES OF POSITIONS IN VERMONT STATE GOVERNMENT

EXEMPT

Exempt service positions are excluded from the classified service by State statute. These positions include State Police, temporary positions, elected and appointed positions.

CLASSIFIED

A classified employee is an employee of the State of Vermont who is hired to fill a position in the classified service in accordance with merit principles as administered by the Department of Personnel, and who is paid a salary for work performed in a position in the State classification plan.

LIMITED

A limited service position is a non-tenured position in the classified service which, when initially established, is reasonably expected to exist for a limited duration of less than three (3) years but more than one (1) year. Such positions have a definite termination date and are usually associated with a specially funded project or program.

TEMPORARY

These positions are created on request by an appointing authority to the Department of Personnel when there is a short-term need for additional employees. These positions are outside of the classified service, but are subject to allocation to classes and assignment to pay grades of the State classification plan.

There are six (6) categories of temporary employees: seasonal; fill-in; bona-fide emergency hires; intermittent; sporadic; or ongoing part-time (that averages less than twenty (20) hours per week during any one calendar year, not to exceed 1040 hours in one calendar year).

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MEMORANDUM

To: Joint Fiscal Committee

From: Majority Leader Paul Cillo, House Special Committee Chair

Date: November 13, 1997

Subject: House Electric Regulatory Reform Staffing: Request for an additional \$5,000 authorization.

As of November 12th, the House Special Committee has spent \$31,245 of the \$35,000 the Joint Fiscal Committee authorized for consultant assistance. The Committee is in the drafting stage for its legislative proposal. Herb Olson is doing the bulk of the drafting with Scott Hempling's assistance with a target for completion of mid-December.

At this point I would like to request an authorization of an additional \$5,000 so that the House Committee will have funds necessary to utilize Scott Hempling through the drafting process. With this authorization the House Committee will be utilizing a total of \$40,000 of the \$70,000 legislatively authorized.

**ELECTRIC INDUSTRY
INDUSTRY REGULATORY
REFORM EXPENSES - ACT 18
(S.192)**

Appropriation # - Expenditures	0101110401
Aid # - Expenditures	01961-2
Appropriation # - Deposits	0101110409
Appropriation # - Deposits	01962-0
Transfer	70,000.00
Authorized to Date - 9/11/97	35,000.00
Expenditures - Scott Hempling	31,245.50
8/97	1,726.25
9/97	17,586.61
10/97	6,414.06
11/97 - Estimated	5,518.58
Balance	3,754.50

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