

STATEMENT OF LEGISLATIVE INTENT

ACT 66 of 2003 - APPROPRIATIONS ACT

The attached statement of legislative intent in regard to Act Number 66 of the 2003 session is designed to guide decision makers in the Executive, Judicial and Legislative branches. It was prepared by the staff of the Joint Fiscal Office, and is based on deliberations by the Committees on Appropriations in both the House of Representatives and Senate, on testimony presented to those committees, on floor debate in both chambers, and on the conclusions reached by the committee of conference. The sections that become effective upon passage have been noted as well as sections that will become effective in FY05 unless other action is taken.

Sen. Susan J. Bartlett
Chair, Senate Appropriations Committee

Rep. Richard A. Westman
Chair, House Appropriations Committee

Date

Date

GENERAL GOVERNMENT

Sec. 7 Secretary of Administration – Secretary’s Office

Moves \$356,936 interdepartmental transfer funds to the new Sec. 8, Information and Innovation. These funds represent costs associated with the former Communication and Information Office budget.

Sec. 7a Federal Jobs and Growth Tax Relief Reconciliation Act of 2003 (H.R.2) Flexible Assistance

Adds this section to allocate the new federal funds anticipated as a result of H.R.2. This section gives the Secretary of Administration authority to accept flexible assistance funds. The federal flexible assistance funds are appropriated in Sec. 168, the Department of Corrections, Correctional Services in place of general funds. The freed up general funds from Sec.168 are appropriated as follows once an amount equal to or above \$13,100,000 is received from the federal government:

- 1) \$6,500,000 to the Agency of Administration. \$1,500,000 is for an upgrade to the HRMS system. \$2,000,000 is to offset department and agency charges for the financial management system development special fund, and related expenses, and \$3,000,000 to the facilities operating revolving fund to offset agencies’ general fund obligations to the fund. The \$2,000,000 and \$3,000,000 allocations are to be reserved to offset the general fund obligations and as a result of the deficit in the fund.
- 2) \$1,250,000 to the Department of Public Safety, of which \$1,000,000 is to be used toward the purchase of vehicles and \$250,000 is to be used to support costs associated with filling state police trooper positions.
- 3) \$3,600,000 to the Agency of Human Services, of which \$3,100,000 is for the Department of Corrections, \$1,600,000 for start up expenses of the Springfield Prison and \$1,500,000 for additional beds and housing needs; and \$500,000 for the Department of Health, \$250,000 to support tobacco counter marketing efforts and \$250,000 to support costs associated with evaluation of tobacco control and cessation programs in the state.
- 4) \$750,000 to the Legislature to support a 17-week session.
- 5) \$1,000,000 to the Department of Commerce and Community Development, Department of Tourism and Marketing for tourism promotion.

Additional freed-up funds shall be deposited as follows:

First \$11,900,000 in the general fund surplus reserve to be available to address FY04 budget adjustment pressures. Any remaining funds shall be deposited into the general fund budget stabilization reserve until the reserve reaches 5%. Any remaining funds shall be deposited into the general fund surplus reserve.

Sec. 7b One-time Appropriation - Sunrise Professional Regulation

Appropriates \$20,000 general funds to the Secretary of Administration to be available to transfer to the Secretary of State to support costs associated with

professional regulations of new professionals requesting regulation by the Secretary of State.

Sec. 8 Information and Innovation

Creates the new Department of Information and Innovation by realigning the appropriations to match the Administration's plan for reorganization. To accomplish this reorganization, the Legislature moved \$356,936 interdepartmental transfer from the Secretary of Administration's Office and increased spending authority by an additional \$55,959, moved \$1,755,432 from the Secretary of Administration, GOVnet appropriation request, and moved \$5,463,803 internal service funds from the Department of Buildings and General Services –Communications and Technology.

Sec. 10 Finance and Management – Budget and Management

Removes \$4,942 general funds to reduce operating expenses by 5%.

Sec. 12 Authority to Charge

Authorizes the Commissioner of Finance and Management to charge departments for reoccurring VISION processing errors. Prior to implementing the charges the Commissioner shall develop and establish a schedule for charges with a process for appeals and forgiveness. Annually, by September 1, the Department of Finance and Management shall submit a report to the Joint Fiscal Committee on rates and charges made during the prior fiscal year. This section is effective on passage.

Sec. 16 Personnel – Information Technology

Removes \$6,475 to correct an apparent error submitted in the Governor's recommended budget.

Sec. 21 Buildings and General Services – Administration

Removes \$82,223 interdepartmental transfer to reflect the movement of the appropriation for Communications and Information Technology (CIT) from the Department of Buildings and General Services into a separate appropriation for the newly established Department of Information and Innovation. As a result of the new independent Department of Information and Innovation, the Department of Buildings and General Services will no longer provide administrative overhead services to the former CIT division. The \$82,223 is the amount that the Department of Buildings and General Services used to charge CIT.

Allows the Department of Buildings and General Services to increase the charge to the other divisions within the department by 13.37% to make up for the lost revenue resulting from the movement of the CIT appropriation out of the Department and into the newly established Department of Information and Innovation.

Directs the Commissioners of the Departments of Buildings and General Service and Corrections to study the most effective way to prevent repetitive damage and vandalism at the correctional facilities. The Commissioners shall report their

findings and recommendations to the House and Senate Appropriations Committees by January 15, 2004.

- Sec. 23 Buildings and General Services – Information Centers**
Adds \$25,000 transportation funds to offset rent payments at the White River Junction Information centers which shall be operated by the Eastern Vermont Regional Marketing Organization or the Hartford Area Chamber of Commerce. Language in subsection (a) relates to the addition of this \$25,000.
- Sec. 25 Buildings and General Services – Public Records**
Removes \$16,000 general funds for temporary positions due to an increase in the permanent staffing level.
- Sec. 30 Buildings and General Services – State Surplus Property**
Adds language directing the Commissioner of the Department of Buildings and General Services to study the feasibility of merging federal and state surplus property programs. The Commissioner shall submit a report to the House and Senate Appropriations Committee by January 15, 2004.
- Sec. 34 Buildings and General Services – Workers’ Compensation Insurance**
Establishes six new positions, four of which are nurse case managers, a Nurse Case Manager Supervisor, and an Administrative Assistant. These positions shall work in the Workers’ Compensation Program.
Directs the Secretary of Administration to review contractual obligations required in the Wellness Program prior to hiring the new positions in the Workers’ Compensation Program to determine if any of the nursing capacity supporting the Wellness Program can be used to support the Workers’ Compensation Program.
- Sec. 35 Buildings and General Services – Fee for Space**
Removes \$258,000 general funds due to available carry forward funds for the fit up costs associated with the opening of the Springfield prison.
Approves the FY04 fee-for-space charges and requires the Commissioner to retire accumulated deficit in the fee-for-space fund by the close of fiscal year 2014 through the aggressive management of expenditures and implementation of surcharges starting in fiscal year 2005.
Establishes eight new positions associated with the opening of the Springfield prison. Of the eight positions, three are Maintenance Mechanics, one is a Custodian II, one is a Custodian I, one is a HVAC Specialist, one is a Propane Specialist, and one is a Plumber.
- Sec. 38 State Treasurer**
Adds \$6,103 general funds and \$32,504 special funds to provide funding for staff support. Added language establishing two new positions, one Accountant B and one System Developer II.

- Sec. 38a Firefighter Survivor Death Benefit**
Appropriates to the State Treasurer \$50,000 each for FY03 and FY04. This section is effective on passage.
- Sec. 38b 32 V.S.A. § 431 (Depositories of State Funds)**
Adds language at the request of the State Treasurer and the Attorney General to comply with state and Federal Reserve requirements.
- Sec. 40 Vermont State Retirement System**
Adds \$13,323 at the request of the State Treasurer to reflect new estimate of the cost of retirement system.
Directs the State Treasurer in consultation with the retirement boards to develop a proposal to unitize the assets of the pension funds for the Vermont employees' retirement system, the state teachers' retirement system of Vermont, and the municipal employees retirement system of Vermont.
Directs the State Treasurer to review how and to what extent other states and governmental entities invest pension fund assets in in-state venture capital funds and other investment opportunities so as to promote economic growth and job creation.
- Sec. 41 Municipal Employees Retirement System**
Adds \$3,900 at the request of the State Treasurer to reflect new estimate of the cost of retirement system.
- Sec. 48 Legislature**
Funds at Governor's recommend but added \$750,000 general funds in Sec. 7a (b)(4) to fund a 17-week session.
Specifies that of the above appropriation \$50,000 shall be used to support the National Legislative Association on Prescription Drug Pricing (NLA) in FY04. States that in FY05 support for NLA shall be \$15,000.
It is the intent that all membership dues for organizations in which the legislature traditionally maintained a membership will continue to be funded.
- Sec. 48a Appropriation; Legislature; 2003 Session**
Appropriates \$400,000 to support costs related to the FY03 legislative session incurred after May 17, 2003.
Specifies that after May 24, 2004, any House or Senate member attending a day of session or conference committee for the remainder of FY03 be entitled to compensation for services and reimbursement of expenses at the daily rate established in sections 1051 and 1052 of Title 32. This section is effective on passage.
- Sec. 49 Legislative Council**
Adds \$80,000 general funds to provide support for staff expenses.

Specifies that the Legislative Council shall not fill any additional information technology positions in fiscal year 2004 unless approval is given by the Committee on Joint Rules and the Legislative Technology Oversight Committee.

- Sec. 49a Legislative Council; Dairy Compact Activities Funding**
Appropriates \$50,000 to the Legislative Council for the sole purpose of retaining a consultant and supporting activities for the promotion of dairy price enhancement through interstate action. The consultant shall be retained and associated expenses made at the direction of the chairs of the Senate and House Committees on Appropriations and the chair and vice chair of the Senate and House Committees on Agriculture, with the approval of the President Pro Tem of the Senate and the Speaker of the House.
- Sec. 49b Study Committee on Standards for Municipal Land Records**
Establishes a study committee on developing guidance for the maintenance of municipal land records in the state. The language establishes membership of the committee. Defines the responsibilities of the study committee, authorizes legislative members to be compensated and reimbursed for expenses, and appropriates \$7,500 general funds to support the committee.
- Sec. 50 Sergeant at Arms**
Adds \$27,300 general fund to meet projected budget shortfall and to support an additional security position. Establishes one new exempt Security Officer position in FY04. It is the intent that this position be filled after the required presentation to Joint Rules in Sec. 50a.
- Sec. 50a State House Security**
Establishes a working group on capitol complex security to report to the Joint Rules Committee at its September 2003 meeting with recommendations for coordinated security within the state house and capitol complex.
- Sec. 50b Sergeant at Arms – Fiscal Year 2003 Budget Adjustment**
Appropriates \$61,000 general funds in FY03 to meet budget pressures. This section is effective on passage.
- Sec. 51 Joint Fiscal Committee**
Adds \$45,000 general funds to bring appropriation to level funding.
- Sec. 51a Basic Needs Budget Calculations; Joint Fiscal Office**
Extends the time frame during which the Joint Fiscal Office is required to issue a set of basic needs budgets from January 15, 2004 to January 15, 2006.
- Sec. 52 Lottery Commission**
Reduces funds for Powerball advertising from \$500,000 to \$300,000.

Specifies that the Lottery Commission not reduce funding for the responsible gambling program and transfers \$40,000 to the ODAP to augment funds within the department for a gambling addiction program.

Requires the Lottery Commission to contract for an independent review of lottery advertising effectiveness, specifically the use of lottery employees in advertising. Directs the Lottery Commission to explore the feasibility of printing Amber Alert information on the back of lottery tickets.

Sec. 52a 31 V.S.A. § 658(b) amendment (Lottery Agent Commissions)

Amends language regarding agent commissions to specify that the agent commissions shall be established by the Lottery Commission and that they may not exceed 6.25% of gross receipts.

Sec. 53 Payments in Lieu of Taxes

Reduces general funds by \$300,000 and increases special funds by \$300,000. The source of the special funds is the local option tax revenue.

Sec. 53a Pilot One-Time Appropriation

Appropriates \$200,000 general fund to the Department of Taxes for the PILOT program in fiscal year 2004.

Sec. 53b 24 V.S.A. §138(d) amendment (PILOT)

Adds language clarifying the reference to the PILOT special fund by stating the act which established the fund.

PROTECTION

- Sec. 57 Attorney General**
Switches funding source for \$200,000 from general fund to special funds. Adds \$200,000 additional special fund spending authority to lower vacancy savings. Reduces interdepartmental transfer authority by \$270,000 for transfer of professional licensing unit to secretary of state.
- Sec. 57a Hydroelectric Appraisal Appeals – Continued Funding**
Appropriates \$75,000 general fund to the attorney general for continued litigation costs associated with the appeals of hydroelectric facilities in Vermont.
- Sec. 57b One-Time Appropriation; Professional Licensing Unit Transfer**
Appropriated \$25,000 general fund to the attorney general to facilitate the transfer of the professional licensing unit to the secretary of state.
- Sec. 59 Vermont Court Diversion**
Adds \$30,000 general fund for grant to the Rutland county court diversion program for the juvenile sexual offender treatment program.
- Sec. 60a One-Time Appropriation; Crime Victims Services**
Appropriates \$40,000 general funds to the Center for Crime Victims Services to provide one-time enhancement grants of \$5,500 to the Project Against Violent Encounters and \$2,300 each to the other member organizations of the Domestic Violence and Sexual Abuse Network.
- Sec. 62 State’s Attorneys**
Adds \$30,000 for the Northwest Unit for Special Investigation. Adds \$150,000 to lower vacancy savings target.
- Sec. 62a Addison County State’s Attorney; One-Time Appropriation**
Appropriates \$25,000 general funds to the state’s attorney to support a temporary deputy state’s attorney in Addison County.
- Sec. 64a Sheriffs’ Transport; One-Time Appropriation**
Appropriates \$150,000 general funds to the sheriffs’ department for transport in fiscal year 2004 in addition to the base appropriation in Sec. 64.
- Sec. 65 Defender General - Public Defense**
Adds \$52,000 general fund for increases in personnel service costs.
- Sec. 66 Defender General - Assigned Counsel**
Adds \$100,000 general funds for an additional serious crimes unit.

- Sec. 68a Military Family Services; One-Time Appropriation**
Appropriates \$30,000 general funds for a portion of the cost of the family services center at Camp Johnson.
- Sec. 72 Military - Veterans' Affairs**
Switches funding for \$20,000 cemetery maintenance from special funds to general funds. Adds \$15,000 for the Veterans' Day Parade. Reduces general funds by \$35,000 and moves the appropriation for veterans' medals to Sec.72a below.
- Sec. 72a Veterans' Medals**
Appropriates \$25,000 general fund for veterans' medals; certificates shall be included with medals.
- Sec. 72b Survivors of Casualties; Operation Iraqi Freedom**
Appropriates \$3,500 general funds to support Vermont survivors of casualties in Operation Iraqi Freedom. First priority shall be given to families of service persons who have died as a result of this military engagement. The funds can be used to provide for memorial service expenses, including travel expenses. Any funds remaining at the end of FY04 shall be used for cemetery maintenance.
- Sec. 73 Labor and Industry**
Adds \$450,000 general fund and \$450,000 federal funds to retain the VOSHA program.
- Sec. 73a Study and Report; Workers' Compensation**
Requires JFO and the Legislative Council, with the assistance of the Departments of Labor & Industry and BISHCA, and an advisory committee appointed by the commissioner of labor and industry composed of three representatives from business and three representatives from labor to study all the factors that contribute to the annual increase in workers' compensation insurance premium rates, including the percentage increase in neighboring states and other New England states; systems for delivering workers' compensation insurance in other jurisdictions, including state workers' compensation fund systems, a changed private insurance delivery system, or a hybrid system comprising both a state fund and private insurers; and proposals to change the delivery system that would be expected to stabilize or reduce workers' compensation premium rate increases.
- Along with this legislative study done in accordance with 73a (a), the executive branch departments shall issue a formal report to the general assembly on or before January 1, 2004. The report is to include detailed discussions and recommendations based on the legislative study and on the departments' own work consistent with section 73a (b).

- Sec. 74** **21 V.S.A. § 210(a) amendment (VOSHA)**
Amends VOSHA statutes to specify that the commissioner shall not reduce the assessed penalties in any fiscal year by more than 50 percent.
- Sec. 78** **Liquor Control - Enforcement and Licensing**
Specifies that tobacco fund appropriations be used for education and enforcement and requires a report on the use of these funds by December 15, 2003.
- Sec. 84 &
Sec. 85** **3 V.S.A. § 127(b) amendment**
Amends statute to allow an attorney assigned by the office of professional regulation to bring action against persons practicing a regulated profession without authority. The attorney may also assist the board while hearing complaints. This change is consistent with the transfer of responsibilities from the Attorney General's Office to the Secretary of State.
- Sec. 86** **Help America Vote Act Federal Grant Acceptance**
Directs the Secretary of State to submit a plan to the General Assembly or the Joint Fiscal Committee if the Legislature is out of session for spending funds received under the Help America Vote Act (HAVA). The plan must identify the allocation of funds, entities receiving funds, and how the funds will be used; the duration of the federal grant; and commitments required by the federal government. The plan becomes effective upon approval by the General Assembly or the Joint Fiscal Committee.
- Sec. 86a** **Secretary of State; Fiscal Year 2003 Budget Adjustment**
FY03 budget adjustment appropriates \$60,000 federal funds for expenditures under the Help America Vote Act of 2002. Expenditure of these funds may be made in anticipation of receipts. This section is effective upon passage.
- Sec. 95** **Public Safety - State Police**
Reduces general funds by \$900,000. Of this reduction, \$400,000 are instead appropriated in Sec. 95c from the Windsor School special fund to be used for start up costs associated with filling 10 trooper positions that are currently vacant. Of the remaining \$500,000 reduction, \$250,000 is appropriated in Sec. 7a(b)(2) to be used to fill vacant trooper positions. The remaining \$250,000 reduction is due to the decision to phase in the hiring of the 10 trooper positions over the course of FY04.
Adds \$35,000 to be available to the southern Vermont wilderness search and rescue team for snowmobile enforcement.
Adds intent language in subsection (c) that the department shall fill at least ten of the vacant trooper positions that have been held open due to budgetary pressures.
Adds language in subsection (d) directing the department to make every effort to manage its human resources during the fiscal year within \$2,500,000 for overtime expenditures.

- Sec. 95a Community Heroin Investigation Program Funding**
Specifies that of the \$230,000 allocated for local heroin interdiction grants funded in Sec. 95 of this act, 75% (\$172,500) be used by the Vermont Drug Task Force to fund two additional town task force officers dedicated solely to heroin enforcement efforts. The remaining 25% (\$57,500) will be available as a “pool” of money for local and county law enforcement to fund overtime costs associated with heroin investigations. Unexpended funds from prior fiscal years shall be carried forward and added to the pool for local and county law enforcement.
- Sec. 95b 20 V.S.A. § 1827 amendment (Commissioner of Public Safety)**
Amends statute to require Commissioner to coordinate local and state efforts to search for and rescue missing persons when necessary to protect the missing persons from harm.
- Sec. 95c Windsor School Cleanup Recovery**
Notwithstanding Sec. 110b of No. 61 of the Acts of 1997, \$899,251.76 is transferred from the Windsor School Special Fund to the Environmental Contingency Fund established in 10 V.S.A. § 1283 for reimbursement of expenses associated with the environmental cleanup of the Windsor School site. Appropriates \$400,000 from the Windsor School Special Fund to the Department of Public Safety to be used to support fit up costs associated with filling vacant state police trooper positions. This section is effective upon passage.
- Sec. 95d Sec. 94 of No. 142 of the Acts of 2002, as amended by Sec. 13 of No. 19 of the Acts of 2003, is further amended**
This section is the FY 2003 appropriations to the State Police by adding \$758,000 federal funds. These federal funds are removed in Sec. 97c of this Act from the FY 2003 appropriation to the Division of Emergency Management. This section is effective upon passage.
- Sec. 96 Public Safety - Criminal Justice Services**
Establishes and funds one new Drug Chemist position.
- Sec. 97 Public Safety - Emergency Management**
Reduces special funds by \$295,409, level funding the Vermont Yankee assessment at \$800,000 until a comprehensive plan is presented and approved by the Legislature.
Specifies that up to \$30,000 be granted to WTSA radio for the emergency alert system; the grant shall not exceed the amount negotiated by the parties for this service.
Establishes three new classified positions, one Emergency Planning Zone Local Coordinator, one Emergency Planning Zone Coordinator, and one Administrative Assistant.
Adds language directing the Division of Emergency Management in consultation with the state agencies, the management of the nuclear power plant, and the

select boards of the municipalities in the emergency planning zone to develop a budget for expenditures from the Radiological Emergency Response Plan Fund for FY05. From the fund, each town within the emergency planning zone shall receive an annual base grant of no less than \$5,000 to reimburse the town for radiological emergency response-related expenditures. A detailed grant application shall not be required for the base grant. Any town within the emergency planning zone may also apply for a grant from the fund for expenditures made by the town for this purpose in excess of \$5,000 in any year. The Director shall ensure that a uniform grant application is used by municipalities applying for reimbursement over \$5,000 and that reimbursable expenses are consistently defined across the municipalities. Awards for additional amounts shall be contingent on additional resources being available to the fund.

Sec. 97a 20 V.S.A. § 38(a)(1) amendment (RERP)

Amends statute to allow any monies received from any other source, public or private, that is intended to support the radiological emergency response planning process to be deposited in the fund.

Sec. 97b 20 V.S.A. § 38(a)(2) amendment (RERP)

Strikes Windham regional planning commission office location preference.

Sec. 97c Sec. 96 of No. 142 of the Acts of 2002 amendment

FY03 budget adjustment reduces \$758,000 federal funds which needed to be moved to the state police in Sec. 95d. This section is effective upon passage.

Sec. 99 Agriculture, Food and Markets - Administration

Adds \$66,000 general funds to restore conservation administration position.

Sec. 100 Farm Youth Initiative

Appropriates \$35,000 general funds to the Dept of Agriculture on a one-time basis for the farm youth initiative.

Sec. 102a 20 V.S.A. § 3906 amendment (Licensing Of Pet Merchants)

Increases the pet merchant license fee to \$150 and allows the commissioner to contract with local veterinarians to provide services to the department to assist in the regulation of pet merchants.

Sec. 102b Report

Requires the Dept. of Agriculture to work with the Vermont Animal Cruelty Task Force to develop recommendations by January 15, 2004 for improving the existing system for licensing pet merchant facilities.

Sec. 102c Appropriation

Appropriates \$25,000 general funds on a one-time basis to the special fund established in section 3914 of Title 20 for the purpose of licensing pet merchants.

- Sec. 102d **Repeal****
Repeals 20 V.S.A. § 3906 (b), Licensing of Dealers (any person who sells, exchanges, or donates animals, not including persons who sell only the offspring of animals they maintain as household pets), on July 1, 2004.
- Sec. 104a **State Fair Capital Projects; One-Time Appropriation****
Appropriates \$100,000 general funds for a competitive grant program for state fair capital projects. No single entity shall be awarded more than ten percent of this appropriation.
- Sec. 114 **Judiciary****
Adds \$1,218,799 general funds above the original proposal of the Administration.
Adds \$60,000 to bring the allocation for civil jury trials to \$136,000.
- Sec. 114a **4 V.S.A. § 25(b) amendment (Supreme Court)****
Requires that the supreme court pay on an hourly basis persons whose compensation is established by 32 V.S.A. § 1141 (Assistant judges of superior courts). Strikes half-day minimum.
- Sec. 116 **Fire Service Training Council****
Adds \$30,000 for dry hydrants design costs including personnel service costs.

HUMAN SERVICES

- Sec. 119 Agency of Human Services – Central Office**
Removes \$67,600 general funds and adds \$22,400 federal funds to fund the juvenile justice coordinator on a part-time basis. Adds \$5,000 general funds for a grant to the Vermont Council of Girls Scouts for a project to support girls with incarcerated mothers. Adds \$50,000 general funds to increase the allocation for Vermont Legal Aid. Removes \$1,000,000 tobacco funds and adds \$1,634,541 general funds for the DETER program. Specifies the allocation of DETER funds as follows: 1) \$992,107 with available match for outpatient and opiate treatment and aftercare with \$100,000 available for match for federal grant for activities of the Rutland Drug Court; 2) \$517,101 for residential treatment; and 3) \$125,333 for 10 new student assistance counselors for the 2003/2004 school year. Allocates a total of \$165,000 tobacco funds to support recovery centers, \$90,000 redirected from aftercare to start three new centers and \$75,000 to support existing centers. Adds \$25,000 tobacco funds to increase the total allocation for the Tobacco Board to \$100,000.
The General Assembly supports and encourages the collaborative, reciprocal ventures undertaken by the agency of human services, the department of education, the University of Vermont, the state colleges, the health care system, and their community partners to provide services that result in outcomes that improve the lifelong well-being of all Vermonters.
- Sec. 119a Federal Medical Assistance Percentages**
Specifies how federal excess receipts from the FMAP changes enacted by the 108th U.S. Congress are to be used. In PATH, savings that result from excess federal receipts shall remain in the health access trust fund. Savings of state funds in other AHS departments shall be transferred to the human services caseload reserve. Reimbursement for school-based services shall follow the current formula.
- Sec. 121 Agency of Human Services; Restructuring Consultation Services**
Appropriates \$50,000 general funds on a one-time basis for the secretary to use with other grant or federal funds for restructuring the agency consistent with Act 45 of 2003.
- Sec. 128 Health Surveillance**
In subsection (a) specifies the source of \$300,000 for Vermont AIDS/HIV services are \$250,000 general funds and \$50,000 federal funds.
- Sec. 129 Health Improvement**
Adds \$80,000 general funds to increase the allocation of funds for respite for families of children with special health needs.
Adds \$70,000 general funds to increase the allocation of the loan forgiveness program for nurses to \$250,000.

Specifies in subsection (d) that \$20,000 of dental loan program shall be used for dental hygienists and administered in a manner consistent with other loan and loan forgiveness programs.

Adds \$1,065,000 tobacco funds for a total of \$2,734,724 for tobacco programs allocated to: community-based programs - \$1,023,624; counter marketing - \$516,100; tobacco cessation programs - \$1,050,000; statewide programs - \$75,000; and surveillance and evaluation activities - \$70,000. The tobacco programs allocation are in addition to funds appropriated in Sec. 7a of this act.

Sec. 130 Community Public Health

Adds \$175,000 general fund and \$160,485 federal fund to restore the allocation for the Healthy Babies program.

Sec. 131 Alcohol and Drug Abuse Programs

Adds \$40,000 of interdepartmental transfer funds from the lottery commission to bring the total funding for the problem gambling program to \$65,000.

Adds \$75,000 general funds to be allocated \$25,000 each for case management and administration needs at the drug court programs in Rutland, Chittenden, and Bennington counties. The appropriation in this section is incorrect by \$25,000 and will require correction in the budget adjustment process. This error should not reduce or delay the allocations for these drug court programs.

Adds \$78,325 with available matching funds to provide an approximately 1.5% increase in the reimbursement for substance abuse services providers.

Gives priority to drug court referrals in the implementation and administration of the new 80-bed in-state residential treatment program.

Requires the department to submit a plan for development of a preferred provider system to the legislature by no later than January 15, 2004. Allows the use of interim criteria to determine whether to enroll a substance abuse program in network of designated providers described in the state plan. Criteria include the program's ability to provide the quality, quantity, and levels of care required under the division's standards, licensure standards, and accreditation standards established by the commission of accreditation of rehabilitation facilities, the joint commission on accreditation of health care organizations, or the commission on accreditation for family services. Also specifies that any program that meets these criteria and is currently being funded in the existing network continues to be a designated program. Requires programs to continue to fulfill grant or contract agreements, and allows the department to continue to use its "request for bids" process.

Sec. 136 SRS - Social Services

Adds \$293,132 general fund for rate increase for private nonmedical institutions.

Adds \$187,000 general fund for the Lund Center for services in placing special needs children in adoptive families.

Increases the allocation for runaway and homeless youth \$30,000 by redirecting resources from other allocations in the department (not an increase in appropriation) and specifies that this be utilized to support the Spectrum Rutland

facility. Prior to disbursement of funds to Spectrum, the facility shall submit a plan for sustainability to be reviewed by the commissioner.

Sec. 136a 33 V.S.A. § 4912(11) repeal

Repeals the definition of “Covered entity” from the Child Welfare Service chapter.

Sec. 136b 33 V.S.A. § 4919 amendment (Child Welfare Services)

Rewrites this section of statute, requiring the commissioner to maintain a registry containing the names of all the individuals found on the basis of a substantiated report to have abused, neglected, or exploited a child; the date of the finding; and the nature of the finding. Aside from a person’s name, at least one other personal identifier is listed in the registry to prevent the possibility of misidentification. Specifies who registry information may be disclosed to and that disclosure of information or records used or obtained in the course of providing services to prevent child abuse or neglect or to treat abused or neglected children and their families by one member of a multidisciplinary team to another member of that team shall not subject either member of the multidisciplinary team, individually, or the team as a whole, to any civil or criminal liability notwithstanding any other provision of law. Defines “Employer,” as used in this section as a person or organization who employs or contracts with one or more individuals to care for children or vulnerable adults, on either a paid or volunteer basis.

Sec. 136c 33 V.S.A. § 6911(c)(3) amendment (Records of Abuse, Neglect and Exploitation)

Amendment to statute that specifies information can be provided to employers when the information is to be used to determine whether to hire or retain a specific individual providing care, custody, treatment, or supervision of children or vulnerable adults.

Sec. 137 SRS - Child Care Services

Adds \$2,050,000 general funds for increased subsidized childcare caseload needs.
Adds \$45,000 general funds for a grant to the Center for the Book.
Adds \$100,000 general funds to bring the allocation for professional development up to \$190,000.
Adds \$50,000 general funds to partially restore proposed cut to the allocation for childcare transportation services.

Sec. 137a Appropriation; Bright Futures Fund

Appropriates \$250,000 general fund to SRS for The Building Bright Spaces For Bright Futures Fund.

Sec. 138 33 V.S.A. § 3531(c) amendment (Bright Futures)

Allows funds appropriated for this Bright Futures Fund to be used to award grants to eligible applicants for the development and expansion of child-care options and community programs targeted for youths aged 14 through 18. Options include

recreational programs and related equipment or facilities, development or expansion of child-care facilities and community-based programs which address specific child-care and youth program needs of the applicant region. Allows the commissioner to establish rules and criteria for awarding grants.

Sec. 138a 23 V.S.A. § 304c(d) amendment (Bright Futures)

Allows Dept. of Corrections to charge DMV for the cost of producing the Bright Futures license plates. This section is effective on passage.

Sec. 142 PATH–Administration – Adds \$300,000 of state funds and \$300,000 of federal funds. These funds are to be used for start-up costs for the premium-based system established in Sec. 147 and to enhance Medicaid analytical capabilities.

Sec. 143 PATH - Reach Up

Reduces federal TANF funds by \$300,000 allocated for evaluation activities. These funds are appropriated in Sec. 148 for the back rent program.

Sec. 144a AABD Appropriation; One-Time Supplemental Check

Appropriates \$210,500 general fund to PATH to provide a one-time supplemental check to individuals and couples in the independent living arrangement and receiving AABD as of September 1, 2003. Specifies how PATH issues the check.

Sec. 145 Fund Appropriation and Transfer

Transfers and appropriates \$68,550,857 general fund to the health access trust fund and an additional one-time transfer of \$1,000,000 for FY04. Also transfers \$17,250,000 tobacco funds to the health access trust fund.

Sec. 146 Fiscal Years 2003 and 2004 Settlement Fund Balance

Directs that at the year end of FY03 and FY04, remaining tobacco settlement fund balances be transferred to the Health Access Trust Fund. This section is effective on passage.

Sec. 147 PATH – Medicaid – Establishes a premium-based system for VHAP, working people with disabilities between 185% and 250% of poverty, VHAP-Pharmacy, VScript, VScript Expanded, Dr. Dynasaur beneficiaries (including pregnant women and children) above 185% of poverty, underinsured children between 226 and 300% of poverty, and children covered under the SCHIP program.

Establishes specific procedures for obtaining coverage, including prospective payment, limited coverage from date of eligibility determination until the first of the month following receipt of payment for VHAP beneficiaries, and the ability to purchase up to three months of retroactive coverage for working people with disabilities, participants in the Dr. Dynasaur program, underinsured children, and SCHIP children. Establishes protections against cancellation in the case of medical incapacity.

Establishes cancellation and reinstatement procedures. VHAP beneficiaries whose coverage terminates and who attempt to reenroll will not be eligible for limited coverage unless certain conditions have been met.

Requires the commissioner of PATH to implement a system to allow electronic payment of premiums through such mechanisms as automatic withdrawal from a bank account, income, benefits, or assignment of a tax refund.

Clarifies that general or emergency assistance is not available to pay medical costs for anyone eligible for government-sponsored health insurance who was not covered for either failure to pay premiums or to follow any other eligibility requirement.

Requires the development of an education program for beneficiaries, including updating all current informational material, collaborating with appropriate local nonprofit agencies, notifying current beneficiaries no later than November 15, 2003, and providing drafts of all materials to the state health care ombudsman.

Requires the agency to monitor enrollment and disenrollment patterns and to report to the health access oversight committee.

Eliminates all point-of-service cost sharing (deductibles, coinsurance, co-payments) in the VHAP Pharmacy, VScript, and VScript Expanded programs. Eliminates all point-of-service cost sharing (deductibles, coinsurance, co-payments) except for a \$25 emergency room copayment in the VHAP and working people with disabilities programs.

Revises hospital cost sharing for traditional Medicaid beneficiaries in the fee-for-service program, eliminating current coinsurance and adding a \$75 hospital inpatient co-payment and a \$3 hospital outpatient co-payment. Applies these co-payments to traditional Medicaid beneficiaries in managed care. These co-payments do not apply to children, pregnant women, or residents of nursing homes.

Increases reimbursement to dentists (\$750,000 in total funds, added to existing fees), residential care facilities (\$200,000 in state funds, plus any federal match), and hospitals (\$15,136,450 in total funds).

Clarifies the treatment of United States savings bonds in determination of an applicant's assets.

Sec. 147a Vermont Health Access Plan Study

Includes the Joint Fiscal Office as a participant in the study.

Sec. 148 PATH - General Assistance

Adds \$300,000 federal TANF funds for the back rent program.

Specifies that \$50,000 of the general fund allocation be used for the “Category II” not for cause rental assistance program. Assistance under this provision is not an entitlement and shall cease upon expenditure of these allocated funds.

Sec. 149a Weatherization Fund Analysis

Requires that by December 15 each year, Department of Public Service and AHS in consultation with JFO submit a report on any projected or actual reserves in the weatherization fund the expenditure of which would not adversely impact ongoing levels of weatherization services; and an analysis of the projected need of households eligible for fuel assistance as compared to previous heating seasons.

Sec. 151 PATH - Food Stamp Cash Out

Adds \$766,624 federal funds reflecting new estimated program cost.

Sec. 152 The Adoption of PATH Rules

Notwithstanding any provisions to the contrary in 3 V.S.A. chapter 25, the Commissioner of PATH may adopt rules in order that changes reflected in Sec. 147 (b), (c), (d)(3), (f)(1), (j), (k), and (l) be implemented by July 1, 2003. These rules shall be effective upon filing with the Secretary of State, and the changes authorized therein shall be implemented no sooner than 10 days following the mailing of adverse action notice and shall have the full force and effect of rules adopted pursuant to 3 V.S.A. chapter 25. Any such rules filed by the commissioner with the secretary of state shall be deemed to be in full compliance with 3 V.S.A. § 843 and shall be accepted by the Secretary of State, if filed with a certification by the Commissioner that the rule is required to meet the purposes of this section. Rules adopted under this subsection shall remain in effect until December 31, 2003 or until amended by rules adopted pursuant to the provisions of Sec. 152a of this act. Notwithstanding the provisions to the contrary of 3 V.S.A. chapter 25, the Commissioner may file prior to and adopt, effective as soon as promulgated, all rules necessary to exempt all individuals domiciled in the state of Vermont from the implementation of Sec. 115(a) of Public Law 104-193 through June 30, 2004. This section is effective on passage.

Sec. 152a The Adoption of PATH Expedited Rules

Allows the Commissioner of PATH to adopt rules under the expedited rulemaking procedures provided here in order that changes reflected in this act to programs administered by PATH shall be implemented by January 1, 2004, or as soon as the rules are adopted.

Notwithstanding any provisions to the contrary in 3 V.S.A. chapter 25, the Commissioner of PATH may file prior to and adopt, effective as soon as filed with the Secretary of State and the legislative committee on administrative rules, such rules as are necessary to complete implementation of Sec. 147 (f)(1) of this act, as well as Sec. 147 (b) through (g) and (j) through (l) of this act. Such rules shall be adopted by:

(1) filing proposed rules no later than September 2, 2003 and publishing a notice of proposed rules on September 4 and September 11 in three daily newspapers

with the highest average circulation in the state, listing all rules to be adopted by this process and providing for a 10-day public comment period, including any weekends or holidays that fall within the period;

(2) filing final proposed rules with the Secretary of State and legislative committee on administrative rules no later than the third Thursday following the close of the public comment period;

(3) responding to an objection to the final proposed rules or receiving notice of approval by the legislative committee on administrative rules under the provisions of 3 V.S.A. § 842 no later than the second Thursday following filing of the final proposed rules;

(4) filing the adopted rules with the Secretary of State and the legislative committee on administrative rules two business days following approval, or the expiration of 14 days following an objection, by the legislative committee on administrative rules; and

(5) mailing notice to beneficiaries affected by the rule changes by November 15, 2003, following filing of the adopted rules.

The rules shall be effective upon filing with the secretary of state and the legislative committee on administrative rules, and shall be implemented no sooner than 10 days following the mailing of adverse action notice and shall have the full force and effect of rules adopted pursuant to 3 V.S.A. chapter 25. Any such rules filed by the Commissioner with the Secretary of State and the legislative committee on administrative rules shall be deemed to be in full compliance with 3 V.S.A. § 843 and shall be accepted by the secretary of state, if filed with a certification by the Commissioner that the rules are required to meet the purposes of this section. This section is effective on passage.

Sec. 154 DDMHS - Community Mental Health

Adds \$250,000 general funds to respond to the needs of children and adolescents with significant mental health issues and their families when in crisis.

Adds \$30,000 general funds for the adult services fund.

Adds \$227,250 general funds to the allocation of \$907,093 for rate increases for developmental and mental health services; at a minimum, the \$907,093 is anticipated to be used to increase wages and benefits for employees of mental health/development services organizations, particularly lower end wage earners.

Sec. 155 DDMHS - Developmental Services

Adds \$90,000 general funds for flexible family funding.

Adds \$75,750 general funds to the allocation of \$987,867 for rate increases for developmental and mental health services; at a minimum, the \$987,867 is anticipated to be used to increase wages and benefits for employees of mental health/development services organizations, particularly lower end wage earners.

Sec. 156 DDMHS - Vermont State Hospital

Adds \$301,251 general funds for new positions required to maintain federal approval.

- Sec. 159 DAD - Division of Advocacy and Independent Living**
Adds \$100,000 general funds for the homemaker program.
Adds \$25,000 general funds for adult day care to support expenditures not eligible for Medicaid reimbursement.
- Sec. 160 DAD - Blind and Visually Impaired**
Adds \$100,000 general funds to restore proposed reduction.
- Sec. 162a Grant Authorized (Adaptive Equipment)**
Authorizes DAD to grant up to \$700,000 to the Vermont Development Credit Union from the adaptive equipment revolving fund, requiring these funds be used for the same purposes as those authorized by 33 V.S.A. chapter 77, an annual report be provided to DAD on the status and use of the fund, lending criteria be no more restrictive than the criteria currently used by the adaptive equipment revolving fund, and the total funds, available for loans to disabled persons to purchase adaptive equipment, exceed \$700,000. After issuance of the grant, these funds will not be considered part of the adaptive equipment revolving fund for purposes of 33 V.S.A. chapter 77.
- Sec. 163a Food Stamp Outreach; One-Time Appropriation**
Appropriates \$15,000 to OEO for food stamp outreach activities.
- Sec. 164 Office of Economic Opportunity - Weatherization Assistance**
Removes \$400,000 interdepartmental transfer and adds \$400,000 special fund spending authority. Specifies \$400,000 of the appropriation be available for the replacement and repair of home heating equipment.
- Sec. 165a Corrections; Review of Positions**
Requires the department to conduct an outside evaluation of the impact and effectiveness of the six Youthful Corrections Service Specialist positions authorized in FY02-03. Requires a report to the Joint Legislative Corrections Oversight Committee by January 15, 2004 on the findings and recommendation of this evaluation.
- Sec. 166 Corrections - Parole Board**
Directs the Corrections Oversight Committee to review the function and efficiency of the parole board and make recommendations as to the continued operation of the parole board by January 15, 2004.
- Sec. 168 Corrections - Correctional Services**
The funds in this section are in addition to the funds appropriated in Sec. 7a of this act.
Removes \$67,000 general funds for the cost of inmate stamps, moves the expense to Sec.170, the inmate recreation fund.
Removes \$700,000 general funds for the start up cost associated with the Springfield correctional facility; these funds are appropriated in Sec. 168a.

Adds \$150,000 general fund for the continuation of the construction trades vocational training program for offenders.

Specifies that \$580,000 is allocated for transitional housing activities and that when possible these services be provided by contracts with community-based organizations. Allows up to \$250,000 of these funds be used for up to five pilot projects, of which one each shall be in Bennington and Windham counties. These projects will supervise offenders who would otherwise be incarcerated, particularly offenders under the age of 22 and provide services, including the community high school of Vermont, vocational training, structured recreation, substance abuse counseling, and involvement in local restorative justice programs.

This appropriation reflects a one-time reduction of \$50,000,000 general fund and an increase of \$50,000,000 federal funds from the federal Jobs and Growth Tax Relief Reconciliation Act of 2003 (H.R. 2). Should the federal funds be less than \$50 million, the general fund appropriation will be increased by the difference.

Sec. 168a Appropriation; Southern State Correctional Facility Start Up

Appropriates \$700,000 general funds on a one-time basis for the start up costs of the correctional facility in Springfield. Specifies that management and inmate supervision functions shall be performed by Vermont state employees at this facility.

Sec. 169 28 V.S.A. § 816 amendment (Inmate Recreation Fund)

Allows the fund to be used for inmate postage and that inmates, through a process established by the inmate recreation fund committee, may also choose to create a loan fund, the operation of which shall be governed by rules adopted pursuant to chapter 25 of Title 3, from which offenders may borrow in order to help them obtain housing upon release from incarceration.

Sec. 170 Corrections - Correctional Facilities - Recreation

Adds \$67,000 special fund for the cost of inmate stamps.

EMPLOYMENT AND TRAINING

Sec. 178 Employment and Training

Removes \$100,000 general funds from the governor's funding enhancement recommendation. Adds \$35,000 general funds to be used to support the youth conservation camp activities; particularly increased participation in the program in FY04 as result of the closure of the farm youth program.

GENERAL EDUCATION

Sec. 181 Education - Finance and Administration

Prioritizes Federal 21st Century Community Learning Funds to fund licensed afterschool programs. Requires the department to ensure SRS be represented on all oversight boards and commissions related to Federal 21st Century Community Learning Funds; at least 50% of boards members be from licensed afterschool programs; grant information and promotion activities be carried out in a manner to maximize the successful participation of licensed afterschool programs as recipients in the grant process.

Sec. 183 Education- Education Quality

Adds \$307,000 general fund for technical education and adds \$168,246 in education funds for an increase consistent with the higher FY 2004 block grant. Makes technical amendment to subsection (a).

Sec. 183a 16 V.S.A. § 1531(c) amendment (Isolated Tech Center)

Amends statute to allow full-time equivalency to be computed according to time attending the school for eligible small school districts

Sec. 183b Reversion to General Fund

Reverts to the general fund \$130,524 which was originally appropriated as part of the FY 2001 budget for school business manager computer equipment, school assessment, and school action plan assistance.

Sec. 184 Special Education: Formula Grants

Reduced year over year growth in education fund contribution due to additional federal special education receipts.

Sec. 186 State Placed Students

Reduced funds due to lower projected need.

Sec. 187 Adult Education and Literacy

Adds \$100,000 general funds to support program

Sec. 187a Adult Education and Literacy Funding; 16-20 Year-Olds

Requires that by January 15, 2004, the commissioner of education recommend to the Senate and House Committees on Appropriations and Education a method by

which school districts organized to provide secondary education, including grade 12, will contribute to the funding of adult education for each resident student who withdraws during the school year and enrolls in an adult education and literacy program in Vermont prior to the age of 21. The Commissioner shall send the proposal to each Vermont school board which provides secondary education by October 1, 2003 in order to enable the board to budget for the expense for fiscal year 2005.

- Sec. 187b** **16 V.S.A. § 4011(a) and (f) amendments**
Amends statute effective July 1, 2004 unless the legislature enacts other provision in the 2004 session. These would allow a grant to adult education and literacy based on 20% of the education payment based on the average of the past two years for successful eligible adult education clients.
- Sec. 188** **Education Grants**
Funded section consistent with \$159 increase in the block grant. Added language specifying grants to make up for grand list changes in Middlebury “ACCAG” property for \$14,022 and Rutland Town “Juster Mall” property for \$42,171.
- Sec. 188a** **16 V.S.A. § 11(31) amendment (Early Childhood)**
Clarifies that the early childhood grant is for those ages three to five.
- Sec. 189** **Transportation**
Adjusted funding based on new estimates.
- Sec. 190** **Small School Grants**
Added funding consistent with FY 2004 \$159 block grant increase.
- Sec. 191** **Education – Capital Debt Service Aid**
Adjusted funding based on updated information and consistent with FY 2004 \$159 block grant increase.
- Sec. 192** **Education – Local Share Property Tax**
Adjusted funding consistent with FY 2004, \$159 block grant increase
- Sec. 192a** **School Technology Exemption**
Directs that notwithstanding any law to the contrary, in the event that a school district has voted to utilize Sec. 43 of No. 144 of the Acts of 2002 (finance of school construction provisions), up to \$65,000 of the school district’s local matching funds for the federal school technology grants administered by the school construction unit of the department of education may be removed from the calculation of local education spending for FY04. This applies to FY04 only. This section is effective on passage.

- Sec. 195a Fiscal Review Panel**
Added language requiring fiscal review panel to assess its future and report to the legislature.
- Sec. 196 Fund Appropriation and Transfer**
Funded FY04 Education Fund transfer at \$268,400,000 consistent with Act 68 of 2003. This includes monies raised in accordance with revenue changes in that Act.
- Sec. 197 State Teachers' Retirement System**
Added \$1,687,570 in retirement funds consistent with treasurer's recommendation based on changing fund expenses. Much of the cost increase is related to health care coverage.
- Sec. 198 Tax Department - Reappraisal and Listing Payments**
Added \$100,000 education funds to assist towns currently engaged in litigation with the Washington electric cooperative regarding grand list appeals of the assessment of utility property, as those values were established by reference to information from PVR. These funds shall only be used for the purpose of reimbursing town-incurred expenses.
- Sec. 199 Tax Department - Property Tax Assistance**
Adjusted funds based on most recent projections and based on the FY04 \$159 block grant adjustment.

HIGHER EDUCATION

- Sec. 202 Dental Hygiene Program; Transitional Provisions; Effective Dates**
Specifies that the dental hygiene program at UVM be transferred to the VSC by June 30, 2004. Students admitted to the program starting fall 2003 under UVM admission criteria will be informed that they will be transferred to VSC. Requires UVM to provide access to the dental hygiene lab under a negotiated rental agreement between UVM and VSC for the period between July 1, 2004 and June 30, 2005. After July 1, 2005, UVM will transfer with-out charge any equipment from the lab that is used exclusively for dental hygiene to VSC.
- Sec. 202a Administration Budget Submission; Dental Hygiene Program**
Requires the administration to include in the FY2005 budget proposal an amount not to exceed \$350,000 for the purposes of subsidizing the transfer of the dental hygiene program to VSC. All or a portion of this \$350,000 can be in the form of student aid (grants or loan) if a program is established to ensure receiving students commit to service in Vermont for a specified period of time.
- Sec. 202b One-Time Dental Hygiene Lab Appropriation**
Appropriates \$25,000 to UVM on a one-time basis to maintain the dental hygiene lab until June 30, 2005.
- Sec. 203 University of Vermont - Morgan Horse Farm**
Adds \$88 general fund to bring the total appropriation to \$5,000.
- Sec. 207 Vermont Interactive Television**
Instructs the administration to instruct agencies to utilize VIT to save travel expenses when feasible.

NATURAL RESOURCES

- Sec. 211 Agency of Natural Resources - Administration**
Establishes one Environmental Enforcement Officer position transferred and converted from an existing vacant position in the executive branch of state government. The funding for this position in FY04 is through carry forward funds transferred from previous state land property tax appropriations.
- Sec. 211a Agency of Natural Resources; Report**
Requires the secretary of the agency of natural resources to report on administrative and management measures being taken by agency management to improve compliance with Vermont's environmental standards and the efficiency, quality, and customer friendliness of the permit review process. The reports requires responses specifically on the issues of increased public notice and involvement in permitting programs; addressing problems with individual projects earlier and more openly; and enhancing coordination among various departments, sections and divisions of the Department of Environmental Conservation in particular. The report shall include information on resource and financial constraints which impede the permit process and recommendations on the adequacy of staff and financial resources available to manage the permitting workload and achieve compliance with Vermont's environmental standards in an efficient, timely, and objective way. Report is due Dec. 15, 2003.
- Sec. 214 Natural Resources - State Land Local Property Tax Assessment**
Specifies that FY02 carry forward funds in the amount of \$42,150 be transferred to ANR-administration to support an environmental enforcement officer, and \$41,000 be transferred to DEC to support one laboratory scientist.
- Sec. 217 Fish and Wildlife - Support and Field Services**
Adds \$52,000 interdepartmental transfer from tourism and marketing for promotional activities, for a total transfer of \$300,000.
- Sec. 217a 23 V.S.A. § 3501(5) amendment (All Terrain Vehicles)**
Amends 23 V.S.A. § 3501(5) to specify the offenses for which an ATV can be considered a motor vehicle.
- Sec. 217b 23 V.S.A. § 4(21) amendment (All Terrain Vehicles)**
Amends 23 V.S.A. § 4(21) striking ATV from list of vehicles exempted from definition of motor vehicles.
- Sec. 217c 10 V.S.A. § 6001(3) amendment (Act 250 Review)**
Amends 10 V.S.A. § 6001(3) excluding the following from the definition of development under Act 250 review:
VAST Trails, including parking lots
The construction of, improvements to, or maintenance of any portion of a statewide trail system on a tract of land not currently under the jurisdiction of this

chapter and located below the elevation of 2,500 feet, including construction and maintenance of unpaved trailhead parking facilities of two acres or less, provided that construction and maintenance take place in a manner that meets or exceeds acceptable management practices for maintaining water quality on logging jobs in Vermont, as adopted by the commissioner of forests, parks and recreation; and in the case of snowmobile trails, provided that construction and maintenance also take place in a manner that meets or exceeds practices established in the guide for the development of snowmobile trails, dated 2001-2002, as published by the Vermont Association of Snow Travelers, Inc. Jurisdiction under this chapter shall not continue to exist after a trail has been discontinued, stabilized, and suitably rehabilitated, in the determination of the district commission, or the board on appeal. The exemption created under this subdivision shall not apply to trails for motorized recreational vehicles other than snowmobiles. This subdivision (3)(D)(iii) shall be repealed on July 1, 2005. The secretary of natural resources shall evaluate and report on the experience derived under this exemption in reports to the house and senate committees on natural resources and energy, to be submitted by January 15, 2005 and by January 15, 2006.

Agricultural Fairs and Equine Events

The construction of improvements for agricultural fairs that are open to the public for 60 days per year, or fewer, provided that any improvements constructed do not include one or more buildings.

The construction of improvements for the exhibition or showing of equines at events that are open to the public for 60 days per year, or fewer, provided that any improvements constructed do not include one or more buildings.

Sec. 217d Lands Management Wildlife Biologist Position; One-Time Appropriation

Creates the position of lands management wildlife biologist in F&W to assist the commissioner in developing lands management plans and in managing department-owned land to ensure that consideration is given to both active management and passive management as guided by ANR lands management principles.

Requires by January 15 each year a report on the development of management plans; the status of implementation of wildlife habitat enhancement and maintenance projects; the schedule for maintenance and habitat treatments; and the status of protected and ecologically sensitive areas on wildlife management areas.

Appropriates from the general fund to the fish and wildlife fund \$82,000 for the position with the expectation that special funds will be available for the cost of the position in the future.

Sec. 223 Reversion To General Fund

Reverts to the general fund \$59,000 of the funds appropriated in Sec. 252(a)(34) of No. 152 of the Acts of 2000

Sec. 224 Forests, Parks and Recreation - Forestry

Requires FPR and F&W to provide, until FY08, a forest management report describing forestry activities of the departments of the previous year, including the number of acres harvested, the location of the forestry activities, the number of board feet and revenues generated, as well as a plan for future forestry activities for the succeeding five years.

States that the General Assembly supports the prompt and full implementation of the departments' forestry management process and plans.

Sec. 227a Green Mountain Conservation Camp Endowment Fund Appropriation

Appropriates \$45,000 from the general fund on a one-time basis to the Green Mountain Conservation Camp endowment fund.

Sec. 229 Environmental Conservation - Management and Support Services

Expects the department to fill a laboratory scientist position with \$41,000 of carry forward funds transferred from previous state land property tax appropriations.

COMMERCE AND COMMUNITY DEVELOPMENT

- Sec. 236 Agency of Commerce and Community Development - Administration**
Reduces the allocation for the sustainable jobs fund by \$28,088 to fund the program at \$190,000.
- Sec. 237 Housing and Community Affairs**
Reduces the special funds appropriation \$969,408, level funding the municipal regional planning fund allocation from the property transfer tax at the FY03 amount.
- Sec. 237a Housing and Community Affairs; Pilot Grant Program**
Appropriates \$130,000 on a one-time basis to the department of housing and community affairs to be distributed to local organizations through a pilot grant program. The criteria for the grants shall be made in consultation with the chairs of the house and senate appropriations committees.
- Sec. 237b 24 V.S.A. § 2796(c) amendment (Downtown Fund)**
Changes the limitation on the percent of a project that a grant from the fund can cover from 25% to 50%.
- Sec. 240 Economic development**
Reduces the funding enhancement recommended by the administration by \$230,000, allowing a funding increase of \$200,000 for economic development priorities.
- Sec. 240a Statewide Telecommunications; Strategic Planning; Implementation**
Appropriates \$150,000 general funds on a one-time basis to the department of economic development for statewide telecommunications strategic planning and implementation.
- Sec. 240b One-Time Business Recruit Enhancement**
Appropriates \$20,000 general funds on a one-time basis to the department of economic development for enhancement of business recruitment.
- Sec. 240c Wood Products Promotion; One-Time Funding**
Appropriates \$40,000 general funds on a one-time basis to the department of economic development for the Vermont wood products showcase initiative.
- Sec. 241 Vermont Training Program**
Reduces general fund appropriation \$35,000; allows an \$400,000 new funding enhancement.
- Sec. 243 Tourism and Marketing**
Adds \$52,000 general funds to increase total transfer to Fish and Wildlife department to \$300,000. Reduces governor's recommended \$300,000 funding

enhancement by \$100,000, redirects the remaining \$200,000 to be combined with the recommended \$300,000 allocation for a total of \$500,000 for formula-based grants for regional marketing organizations.

Sec. 243a Tourism And Marketing Initiatives

Appropriates \$238,000 general funds on a one-time basis for formula-based grants for regional marketing organizations.

Sec. 245a Historical Community Curtain Restoration Project Funding

Appropriates \$25,000 general funds on a one-time basis to the Arts Council for matching funds for a statewide project on restoration of historical painted theatre curtains.

Sec. 248 Vermont Housing and Conservation Board

Adds \$1,108,800 special funds to bring the allocation from the property transfer tax to the FY03 level. Specifies that \$20,000 shall be transferred to FPR recreation for specific survey functions.

The Secretary of Administration in a coordination with the Vermont Housing and Conservation Board shall conduct a management review of the nonprofit housing providers that have received multiple grant awards from the board. From the special fund appropriation, the Vermont housing and conservation board is authorized to use up to \$100,000 for expenses of this management review.

The scope of the review as well as the selection of consultants or contractors shall involve collaboration between the Secretary and the Board. Consultants or contractors hired should have expertise and experience in development of perpetually affordable housing. The review should utilize existing information and assess the effectiveness of providers in implementing the statutory purposes of the Board.

TRANSPORTATION

Sec. 255 Transportation - Buildings

Reduces total transportation funds by \$100,000 as follows: (1) rehabilitation of the Ludlow rail station is delayed and \$200,000 for that project is cut, and (2) \$100,000 is added to improve air quality and environmental conditions at the agency's materials and research laboratory.

Sec. 256 Transportation - Program Development

Reduces the Governor's recommended total of \$157,819,481 by the net amount of \$222,450 as follows:

Program	Project Name	State \$	Federal \$	Local \$
PD Bike/ped	Burlington-Colchester Winooski River bike bridge, restructuring of financing	-100,000		+42,000
PD Bike/ped	Dover Bike, project delayed	-15,750	-126,000	
PD Bike/ped	Montpelier-Berlin Walk, project delayed	-200,000		
PD State bridge	Fayston – Mill Brook, shift to federal funds	-655,273	+655,273	
PD Paving	Statewide level and seal	+210,000		
PD Roadway	Brandon-Pittsford Rt 7 (Reduce Brandon's local match share from 10 to 5%)	+12,500		-12,500
PD Roadway	Riverside Ave, project delayed	-18,750	-593,750	+687,500
PD Roadway	Kennedy Drive, project delayed	-77,604	-705,396	-87,000
PD Roadway	Rutland City / Rutland Town	+30,000	+240,000	+30,000
PD Roadway	Rt. 30 Hubbardton – Lake Bomoseen causeway, preliminary engineering	+25,000		
PD Roadway	Grafton-Rockingham Rt. 121, contract cost savings	-40,040	-160,160	
PD Roadway	Williston Circumferential highway, segments A-C	+87,500	+350,000	
PD Roadway	Bennington Bypass South – suspend conceptual design for FY04	-40,000	-160,000	
PD Roadway	Bennington Bypass South – funds for right-of-way hardship acquisitions	+50,000	+200,000	
AOT	State funds to be held in reserve to provide matching funds for additional federal funds	+150,000		
Totals		-582,417	-300,033	+660,000

- Sec. 259 Transportation – Policy & Planning**
Adds \$50,000 in transportation funds to support the development by the Vermont interagency bridge and culvert team of a training and software system to assist towns in developing inventories of their transportation infrastructure assets.
- Sec. 262 Transportation – Public Transit**
Adds \$300,000 in transportation funds as follows: (1) \$150,000 to be used by the agency of transportation to provide guidance, training, and technical assistance to public transit providers to implement the provisions of Secs. 36 through 41 of Act No. 54;
(2) \$100,000 to be divided equally among all public transit providers receiving operating assistance under the state’s public transit operating assistance program for support of public transit operations; and
(3) \$50,000 to be used as matching funds to access the federal earmark made available under the 2001 federal department of transportation appropriations for central Vermont buses and bus facilities.
- Sec. 267 Transportation – Vermont Local Roads**
Adds \$25,000 in transportation funds to the Vermont local roads program to be used in the better backroads program.
- Sec. 269 Transportation – Town Highway Bridges**
Adds \$937,500 for the town bridge initiative program created under Sec. 9 of Act No. 54. All town bridge projects that received grants pursuant to Sec. 250(c) of No. 63 of the Acts of 2001 are enrolled as active projects in the program. The total amount consists of \$93,750 in transportation funds, \$750,000 in federal funds, and \$93,750 in local funds.
- Sec. 272 Transportation Board**
Adds \$91,500 as follows: (1) \$41,500 to fully fund the board position of executive secretary, and (2) \$50,000 for the traffic conditions study directed in Sec. 28 of Act No. 54.
- Sec. 272a Vermont Transportation Authority**
Adds \$6,000 in transportation funds for administrative expenses.

MISCELLANEOUS SECTIONS

- Sec. 282 Appropriations; Property Transfer Tax**
Specifies how specific amounts of the property transfer tax are allocated: \$288,000 to the department of taxes, \$11,088,000 to housing and conservation trust board, and \$3,769,920 to municipal and regional planning fund which is the split \$2,638,944 for regional planning, \$753,984 for municipalities, and \$376,992 to the geographic information system. Also specifies that property transfer tax revenues, in excess of these allocations that would otherwise be deposited into these funds based on the January 2003 official forecast shall instead be deposited into the general fund.
- Sec. 286 32 V.S.A. § 3752(12) amendment (Current Use)**
Makes a statutory change valuing farm buildings at \$0. Applies to grand lists for April 1, 2003 and will affect state FY04 tax liabilities.
- Sec. 286a 32 V.S.A. § 3752(14) amendment (Current Use)**
Amends the definition of farm buildings in the current use program to include a dwelling in use during the preceding tax year exclusively to house one or more farm employees, as defined in section 4469 of Title 9, and their families, as a non-monetary benefit of the farm employment. This change shall apply to the grand list of April 1, 2004 and will affect state FY05 tax liabilities.
- Sec. 287 32 V.S.A. § 3760 amendment (Current Use)**
Specifies in statute that assessing officials appraise property enrolled in the program at fair market value consistent with other appraisals. On or before July 5, the assessing officials shall provide the director with the listed value of all enrolled property in the municipality. If the director certifies that the value set by the assessing officials is significantly above the fair market value or is not equitable with other assessments, the director's estimate of the fair market value shall be substituted for that of the assessing officials. A town aggrieved by the director's decision under this section may appeal that decision under the same procedures as an appeal from a decision of the board of civil authority.
- Sec. 288 Transition Calculation of Education Tax for Farm Buildings**
Specifies the education tax liability calculation for FY2004 in regard to the change in farm buildings in the current use program.
- Sec. 289 Appropriation; Farm Buildings; Payment to Municipalities**
Appropriates \$125,000 general fund and \$125,000 transportation fund to PVR in addition to other appropriations for payments to municipalities for farm buildings enrolled in the current use program as determined by section 3760 of Title 32.
- Sec. 289a Grand List Addendum for Farm Buildings Change**
Allows listers to adjust the grand list through an addendum for parcels affected by the change in valuation of farm buildings to \$0. Notice of the adjustments shall

be provided to all affected landowners who shall be afforded an opportunity to appeal according to chapter 131 of Title 32.

- Sec. 289b Sec. 42(2) of No. 144 of the Acts of 2002 amendment (Ski Lift)**
Makes a specification for FY04 that ski lifts and snow-making equipment for ski areas shall be excluded from grand lists of April 1, 2003 solely for the purpose of determining equalized education grand lists for January 2004.
- Sec. 290 Specific Current Use Enrollment**
Directs PVR to allow the property identified as parcel 0078-007 on map 18-01-22 in Cambridge to enroll the current use program for the 2003 tax year (April 1, 2003 list date) if the enrollment forms are filed by the property owner by June 30, 2003 and the property is eligible in all other respects.
- Sec. 292 Repeals**
Repeals Sec. 198(d) (allocation of amounts in excess of a 5% education fund reserve) and effective on passage repeals 204(b) (increase to the general fund appropriation and transfer to the education fund) of No. 142 of the Acts of 2002. Repeals Sec. 11 of No. 63 of the Acts of 1995 (authority to charge for duplicate payments).
- Sec. 293 Fiscal Year 2004 Designated Balance (Waterfall)**
Establishes the use of any otherwise undesignated general funds at the close of FY04 first be to fill the stabilization reserve to its statutory maximum; and any other funds remaining in the general fund surplus reserve, pending appropriation by the legislature.
- Sec. 294 Transportation Fund Transfers and Appropriations**
Establishes that undesignated transportation fund balance on June 30, 2003 be used as follows: First to fill the transportation fund budget stabilization reserve to its statutory maximum; Second, up to \$225,000 to AOT for the Hubbardton Route 30, Lake Bomoseen causeway project; Third, up to \$106,000 to BGS for extended hours of operation of the Randolph rest areas on I-89; Any remaining amounts to AOT to satisfy federal fund match requirements for projects authorized in the state's transportation capital program for FY04 as approved by the general assembly; and as determined in the discretion of the secretary, among the maintenance state system program, shelf projects, and town highway bridge projects. This section is effective on passage.
- Sec. 297 Vermont Renewable Power Supply Acquisition Authority; Appropriation**
Makes a one-time appropriation of \$250,000 from the petroleum violation escrow fund to the Vermont Renewable Power Supply Acquisition Authority for work regarding the purchase of all or part of the Connecticut River hydroelectric system.

- Sec. 298 32 V.S.A. § 307(b) amendment (Budget Documents)**
Requires budget documents to include: sources of receipts, particularly special fund sources, explanation of interdepartmental transfers, including the source department; changes in positions within departments, including prior year, current year, and requested budget, by title and category and whether positions are currently filled and unfilled; and an outline of proposed changes in program funding and related policy changes that the funding changes reflect.
- Sec. 299 Legislative Authority to Set Internal Service Charges**
Adds a statutory provision to 32 V.S.A. § 307(e) that the budget include any proposed charges to be billed to departmental budgets for payment to internal service funds where the total of such charges exceeds \$1,000,000. The rates of any such charges shall be subject to legislative approval.
- Sec. 300 Law Enforcement Working Group**
Establishes a law enforcement summer study working group to meet from July through October 2003 to make recommendations by November 1, 2003 on law enforcement functions to clarify roles and responsibilities, effective and economical use, at each level: state, county, and local.
The working group consists of one representative each from the department of public safety, the state's attorneys association, the sheriffs association, the Vermont chiefs of police association, and the Vermont league of cities and towns; one state trooper selected by the Vermont state employees' association; one member from the governor's criminal justice cabinet; one member each from the house committees on judiciary, government operations, and appropriations, appointed by the speaker of the house; and one member each from the senate committees on judiciary, government operations, and appropriations, appointed by the senate committee on committees. In addition, one representative each from the U.S. attorney's office for Vermont and the Vermont attorney general's office and one member of the Vermont criminal justice training council shall be invited to participate as observers.
- Sec. 300a Study of Prisoner Transport**
Directs the state's attorneys, sheriffs, defender general, judiciary, and corrections department to implement the findings of the 2002 study of prisoner transport with a goal to managing transport within current appropriations with failure to cooperate resulting in the failing department absorbing costs. Requires a report on the implementation of prisoner transport recommendations be submitted to the legislature on January 15, 2004.
- Sec. 301 to
Sec. 301h Abandoned Property**
Changes the period after which property is considered abandoned from five years to three years. In Sec. 301c, adds a section to 27 V.S.A. § 1210b to specify what unclaimed demutualization proceeds can be included in abandoned property.

Reports required for property deemed abandoned as of December 31, 2002 are to be filed no later than November 1, 2003.

- Sec. 301i** **27 V.S.A. § 1238 amendment (Property Location Finder Fee Limits)**
Amends statute to limit finder fees, including expenses, to 10% of the value of the abandoned property recovered.
- Sec. 301j** **27 V.S.A. § 1239 amendment (Unclaimed Property; Deceased Owner)**
Changes the limit from \$500 to \$1,000 for specified delivery of property.
- Sec. 301k** **Position**
Establishes one Program Services Clerk position in the Treasurer's Unclaimed Property Office.
- Sec. 302** **Full-Time State Firefighter Retirement Group**
Requires the state treasurer to make recommendations for establishing a new group retirement plan for full-time state employee firefighters, and submit a report of these recommendations to the house and senate committees on appropriations and government operations by December 15, 2003.
- Sec. 302a** **3 V.S.A. § 455(a)(9) amendment**
Includes full-time firefighters employed by the state of Vermont. Goes into effect July 1, 2004 unless the legislature makes other provisions in the 2004 session.
- Sec. 302b** **Full-Time State Firefighters; Participation in Group C Plan**
Allows full-time firefighters employed by the state of Vermont to irrevocably elect to participate in the Group C plan. If, after July 1, 2005, a full-time firefighter employed by the state of Vermont has not elected to participate in the Group C plan of the Vermont state retirement system, that employee shall remain in the Group F plan of the Vermont state retirement system. This provision goes into effect July 1, 2004 unless the legislature makes other provisions in the 2004 session.
- Sec. 303** **Insurance Reserve Fund Transfer**
Notwithstanding 32 V.S.A. § 135, allows \$16,500 to be transferred from the insurance reserve fund to the department of housing and community affairs, division of historic preservation, for the repair of damage at Mt. Independence. This section is effective on passage.
- Sec. 304** **Grant Acceptance; JFO #2098**
Approves the state homeland security grant to the department of public safety for use for local and state planning, training, and equipment. This section is effective on passage.

Miscellaneous Tax Provisions

Sec. 305 **32 V.S.A. § 5822(b) amendment (Technical Amendment)**
Provide that 24% of additional taxes on all tax favored accounts, not only individual retirement accounts and medical savings accounts, are added to the 5822(a) amount of Vermont income tax. Applies to taxable years on or after January 1, 2003.

Sec. 307

Thru

Sec. 312 **Medicaid Provider Tax**

These sections establish the tax rates that are assessed on hospitals, nursing homes, and home health providers. The tax is then matched by the federal government and reimbursed to the appropriate health care provider. In addition, Sec. 308 directs the Agency of Human Services to examine if three nursing homes can receive an exemption to the provider tax. Sec. 306 takes effect on the date a waiver is granted by the U.S. Dept of Health and Human Services as specified in Sec. 325(h).

Sec. 313 &

Sec. 314 **Update Annual Income and Estate Taxes**

These sections are an annual update to Vermont's income and estate tax references to federal law. Sec. 313 applies to taxable years on or after January 1, 2002 and Sec. 314 applies to gifts made and estates with a death date on or after January 1, 2003.

Miscellaneous Pay Act Provisions

Sec. 315

Thru

Sec. 322 **Exempt Statutory Positions**

Extends 1.5% increase in salary for key state officers, department heads, judges, and other positions set in statute

Sec. 323 &

Sec. 324 **Collective Bargaining Agreement**

Funds two-year collective bargaining agreements between VSEA and the state, and ratifies the adjustment for state employees' salaries at 3.48% in FY04 and 4.48% in FY05.

Sec. 325 **Commissioner of Information and Innovation**

Establishes in statute the salary for the Commissioner of Information and Innovation at \$70,987.