



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: James Reardon, Commissioner of Finance & Management
From: Nathan Lavery, Fiscal Analyst
Date: May 31, 2011
Subject: JFO #2502

No Joint Fiscal Committee member has requested that the following item be held for review:

JFO #2502 — Request to establish a 2% fee for each permit purchased on-line with a credit card. Joint Fiscal Committee approval of this fee request is required in accordance with 22 V.S.A. § 953 (c)(2).

[JFO received 4/22/11]

The Governor's approval may now be considered final. We ask that you inform the Secretary of Administration and your staff of this action.

cc: Chuck Ross, Secretary



JFO 2502

State of Vermont
Agency of Administration
Office of the Secretary
Pavilion Office Building
109 State Street
Montpelier, VT 05609-0201
www.adm.state.vt.us

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

Jeb Spaulding, Secretary

MEMORANDUM

TO: Joint Fiscal Committee
FROM: Jeb Spaulding, Secretary of Administration *Jeb Spaulding*
DATE: April 22, 2011
SUBJECT: Agency of Agriculture's Proposed Fee Structure for On-line Processing of Permits.

Attached is a request for Joint Fiscal Committee and Legislative approval of the Agency of Agriculture's proposed fee structure for on-line processing of permits.

The Agency of Agriculture has worked with the Department of Information and Innovation and the Vermont Information Consortium to develop an on-line permitting system. The current process is an extremely inefficient manual paper and resource intensive process that frequently can take several months to complete.

The new on-line service will be developed in a multiple-phase approach, with Retail Licensing and Weights and measures as the first phase to be rolled out in 2011. Each permit purchased with a credit card would incur a 2% fee for using the credit card processing system. This would only affect credit card users. Other forms of payment including electronic check, when adopted, would not incur the fee. The on-line processing system will benefit Vermonters seeking permits as well as create greater efficiencies in government operations.

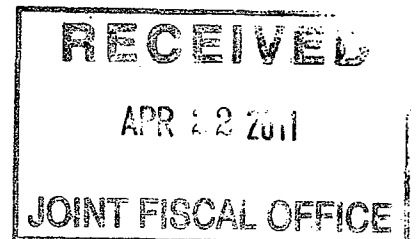
The service will be built to be expansible to include all license types handled by the Agency, and each type will require independent needs gathering, system deliverables, and potentially fees, and will be handled on a case-by-case basis.

The Web Portal Board and the Governor have approved this fee.

In accordance with 22 V.S.A. § 953 (c)(2): The governor's approval shall be final unless within 30 days of receipt of the information a member of the joint fiscal committee requests the charge be placed on the agenda of the joint fiscal committee or, when the general assembly is in session, be held for legislative approval. In the event of such request, the charge shall not be accepted until approved by the joint fiscal committee or the legislature. During the legislative session, the joint fiscal committee shall file a notice with the house clerk and senate secretary for publication in the respective calendars of any charge approval requests that are submitted by the administration.

Thank you for your consideration.

cc: Steve Klein, Chief Fiscal Officer, Joint Fiscal Office





VERMONT

State of Vermont
Department of Information & Innovation
133 State Street, 5th Floor
Montpelier, VT 05633-0210

Agency of Administration

[phone] 802-828-4141

April 15, 2011

The Honorable Governor Peter Shumlin
Pavilion Building
Montpelier, Vermont 05602

Dear Governor Shumlin:

In 2006, the Department of Information and Innovation (DII) entered into a contract with Vermont Information Consortium (VIC), which provides development and hosting services for the Vermont.gov web portal. The web portal includes sites that are primarily informational in nature, and is financed through an assessment of fees on a growing number of sites that process certain types of transactions. An example of a transaction based site that includes fees is the Department of Motor Vehicles vehicle registration site.

When the State web portal was created in statute, a two-step process was put in place for approval of sites that include fees. The Web Portal Board, made up of a number of agency and department officials and two members of the Legislature, meet to consider proposals that are first vetted by DII. If the Web Portal Board approves the fee structure, the next step is for the Joint Fiscal Committee to review and approve or reject the actions of the board. While all fee proposals have been approved, the process takes time that in effect slows down the development of fee generating sites. The fee generating sites are critical to the maintenance of the web portal because they serve as the funding source for all other sites developed and launched through the project.

DII has worked with VIC and the Agency of Agriculture to develop a statement of work to launch an online permitting service, and VIC agreed to make capital investments to launch the site provided a fee structure was put in place that would over time cover the cost of investment for this site, support the Web Portal Project in general, and generate a reasonable return on their investment. The service will allow Vermont businesses to purchase Agency of Agriculture permits electronically over the internet.

The proposed Permitting Service will benefit a large group of stakeholders. Currently permitting is a manual, paper based, process that requires forms to be filled out by hand and sent through the mail. Agency staff must then enter the handwritten information into their systems and mail back the required permit. The new service will streamline workloads and provide accurate information more quickly for all stakeholders in the process.

The Web Portal Board met March 25th, 2011 and approved the proposed fee structure for this system. During the 2010 session the Legislature created a new process for gaining the Joint



Fiscal Committee's approval of fees. Therefore, this letter is submitted in accordance with this new process. The new process is as follows:

(1) All such charges (following approval by the Web Portal Board) shall be submitted to the governor who shall send a copy of the approval or rejection to the joint fiscal committee through the joint fiscal office together with the following information with respect to those items:

- (A) the costs, direct and indirect, for the present and future years related to the charge;
- (B) the department or program which will utilize the charge;
- (C) a brief statement of purpose;
- (D) the impact on existing programs if the charge is not accepted.

For this project these are:

(A) With regard to this new process and the fees associated with the development of the permitting system, we submit the following for your consideration:

Each permit purchased with a credit card would incur a 2% fee for using the credit card processing system. This would only affect credit card users. Other forms of payment including electronic check, when adopted, would not incur this fee.

This fee is collected solely to offset the processing of credit card transactions.

(B) This system is being built for the Agency of Agriculture.

(C) Current Process:

The current process is extremely paper-and resource-intensive. A permit form is requested or otherwise acquired by a business, they then manually fill out the form, add whatever payment is required, and mail the result to the Agency. The Agency then receives the letter, processes the payment, retypes the information on the form into their database, creates the permit and mails it back to the business. This process can take months.

Future Online Process:

The new online service will be developed in a multiple-phase approach, with Retail Licensing and Weights and Measures as the first phase in 2011. The service will be built to be expandable to include all license types handled statutorily by the Agency, and each type will require independent requirements gathering, system deliverables, and potentially fees, and will be handled on a case-by-case basis. ACH Debit as a payment method may be added to this service as well, to allow users to pay from their own bank accounts. We don't expect there would be an additional fee passed on to the end user for ACH use.

With this system the Agency will shift the redundant data entry work to the licensees themselves, who benefit by the quicker, more convenient, secure, service. A process that currently takes weeks, or months, will now be completed in a few minutes as the permits are applied for, paid for, and delivered via this online service. The end goal benefit will be to provide better service to



Agency customers and a significant time savings for internal staff, while simultaneously creating substantial cost savings in postage, time, and resources.

(D) If this service is rejected the Agency will not be able to take advantage of the benefits of the self service model. Rather than relying on users to enter information this function would fall back onto Agency staff taking up time better devoted to more value added activities than data entry. The increased time required to complete payment for these permits would mean that those funds would be delayed in coming to the state. The Agency would also fail to achieve the eGovernment vision that they and the rest of state government have been encouraged to pursue.

Based on the above description of the need for the system and on knowledge and belief that the fees associated with the system are both necessary and reasonable, I recommend that you approve the fee structure as proposed and forward this letter, along with your approval, to the Joint Fiscal Office, so they may take the next steps to help us continue to create a modern eGovernment system for the State of Vermont.

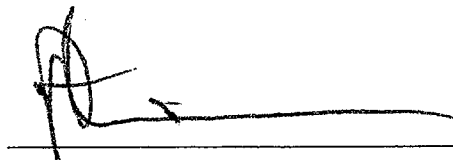
Respectfully Submitted,



Ruthann Sullivan
Interim Commissioner and CIO
Information and Innovation

Approved

Rejected



Peter Shumlin, Governor of the State of Vermont

Following Governors approval or rejection, please forward to the Joint Fiscal Committee through the Joint Fiscal Office.





STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: Joint Fiscal Committee Members
From: Nathan Lavery, Fiscal Analyst
Date: April 22, 2011
Subject: Grant Requests

Enclosed please find seven (7) items that the Joint Fiscal Office has received from the administration, including one fee approval request. Six limited service position requests are associated with these items.

JFO #2496 — \$500,000 grant from the U.S. Department of Justice to the Vermont Department for Children and Families. These funds will be used to support 12 youth delinquency prevention programs.

[JFO received 4/06/11]

JFO #2497 — \$345,100 grant from the University of Massachusetts to the Vermont Department for Disabilities, Aging and Independent Living. These funds will be used to implement a Social Security Administration demonstration project to determine if enhanced work incentives result in increased employment outcomes for Social Security Disability Insurance beneficiaries. **This grant includes establishment of three limited service positions.**

[JFO received 4/06/11]

JFO #2498 — \$220,480 grant from the National Association of State Mental Health Program Directors to the Vermont Department of Mental Health. These funds will be used to create an Evidence-Based Practices Cooperative to support the adoption of evidence-based practices within the state's community mental health system. **An existing position will be used in lieu of requesting a new limited service position.**

[JFO received 4/06/11]

JFO #2499 — \$103,000 grant from the National Association of State Mental Health Program Directors to the Vermont Department of Mental Health. These funds will be used to develop Supported Employment Champions within a Designated Agency's Community Rehabilitation Treatment Program.

[JFO received 4/06/11]

JFO #2500 — \$150,000 grant from the U.S. Department of Education to the Vermont Department of Education. These funds will be used to establish a State Literacy Team that will develop a literacy plan for Vermont.

[JFO received 4/06/11]

JFO #2501 — \$1,000,000 grant from the U.S. Department of Health and Human Services to the Vermont Agency of Human Services. These funds will be used to study the feasibility of coordinating Medicare and Medicaid payment and services for dual eligible recipients. **This grant includes establishment of three limited service positions. Expedited review of this item has been requested. Joint Fiscal Committee members will be contacted by May 6 with a request to waive the remainder of the review period and approve the acceptance of this item.**

[JFO received 4/20/11]

JFO #2502 — Request to establish at 2% fee for each permit purchased on-line with a credit card. Joint Fiscal Committee approval of this fee request is required in accordance with 22 V.S.A. § 953 (c)(2).

[JFO received 4/22/11]

Please review the enclosed materials and notify the Joint Fiscal Office (Nathan Lavery at (802) 828-1488; nlavery@leg.state.vt.us) if you have questions or would like an item held for legislative review. Unless we hear from you to the contrary by May 6 we will assume that you agree to consider as final the Governor's acceptance of these requests.

cc: Dave Yacovone, Commissioner
Susan Wehry, Commissioner
Christine Oliver, Commissioner
Armando Vilaseca, Commissioner
Doug Racine, Secretary
Chuck Ross, Secretary



SFO 2502

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