

Journal of the Senate

TUESDAY, FEBRUARY 23, 2010

The Senate was called to order by the President *pro tempore*.

Devotional Exercises

Devotional exercises were conducted by the Reverend Mara Dowdall of Montpelier.

Pledge of Allegiance

Pages Louise Weed and Shelli Young then led the members of the Senate in the pledge of allegiance.

Message from the House No. 24

A message was received from the House of Representatives by Ms. H. Gwynn Zakov, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has passed House bills of the following titles:

H. 281. An act relating to the removal of bodily remains.

H. 562. An act relating to the regulation of professions and occupations.

In the passage of which the concurrence of the Senate is requested.

The House has considered a bill originating in the Senate of the following title:

S. 117. An act relating to the date of the primary election.

And has passed the same in concurrence with proposal of amendment in the adoption of which the concurrence of the Senate is requested.

Committee Bill Introduced; Rules Suspended; Bill Committed

Senate committee bill of the following title was introduced, read the first time, and, under the rule, placed on the Calendar for notice the next legislative day:

S. 290.

By the Committee on Economic Development, Housing and General Affairs,

An act relating to restoring solvency to the unemployment trust fund.

Thereupon, pending entry of the bill on the Calendar for notice the next legislative day, on motion of Senator Mazza, the rules were suspended and the bill was taken up for immediate consideration.

Thereupon, pending second reading of the bill, on motion of Senator Mazza, the bill was committed to the Committee on Finance.

Bill Referred to Committee on Finance**S. 283.**

Senate bill of the following title, appearing on the Calendar for notice, and affecting the revenue of the state, under the rule was referred to the Committee on Finance:

An act relating to amending miscellaneous motor vehicle laws, eliminating the motorcycle rider training program advisory committee, and repealing the interstate compact for motor vehicle safety equipment.

Bill Referred to Committee on Appropriations**S. 288.**

Senate bill of the following title, appearing on the Calendar for notice and carrying an appropriation or requiring the expenditure of funds, under the rule was referred to the Committee on Appropriations:

An act relating to the Vermont recovery and reinvestment act of 2010.

Bills Referred

House bills of the following titles were severally read the first time and referred:

H. 281.

An act relating to the removal of bodily remains.

To the Committee on Economic Development, Housing and General Affairs.

H. 562.

An act relating to the regulation of professions and occupations.

To the Committee on Government Operations.

Bills Passed

Senate bill of the following title was read the third time and passed:

S. 272. An act relating to human trafficking.

Bill Passed in Concurrence**H. 483.**

House bill of the following title was read the third time and passed in concurrence:

An act relating to approval of the merger of the Village of North Westminster and the Town of Westminster and the charter of the Town of Westminster.

Bill Amended; Third Reading Ordered**S. 255.**

Senator White, for the Committee on Government Operations, to which was referred Senate bill entitled:

An act relating to an amendment to the charter of the Chittenden County Transportation Authority.

Reported recommending that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. CHITTENDEN COUNTY TRANSPORTATION AUTHORITY;
CHARTER; CODIFICATION

The legislative council shall, consistent with section 424 of Title 2, codify the charter of the Chittenden County Transportation Authority as set forth in No. 122 of the acts of 1973 and as that act is further amended by this act. Codification may include the correction of internal cross-references.

Sec. 2. Secs. 2, 3, 6, and 7 of No. 122 of the Acts of 1973 are amended to read:

Sec. 2. Area of Operation

The area of operation shall be Chittenden County, and may additionally include the boundaries of municipalities in adjoining counties, if such municipalities determine to join the authority as set forth in section 3 of this act, Franklin, Grand Isle, and Washington Counties and the towns of Orange, Washington, and Williamstown. The area of operation shall include Addison and Caledonia counties and the towns of Orange County other than Orange, Washington, and Williamstown, but only for the provision of commuter

services. The area of operation shall include Lamoille County, but only for the provision of published scheduled services.

Sec. 3. Membership in the authority

Membership in the authority shall consist of those municipalities which elect to join the authority by majority vote of its voters present and voting on ~~said~~ the question at an annual or special meeting duly warned for ~~such~~ the purpose prior to July 1, 2010. Beginning July 1, 2010, a municipality may hold an annual meeting or a special meeting for the purpose of determining through election by a majority vote of its voters present and voting on the question only if the municipality is specifically authorized to join the authority either under Sec. 13 of this charter or by resolution duly passed by the Chittenden County Transportation Authority Board of Commissioners. The initial meeting of a municipality called to determine whether or not to join the authority shall be warned in the manner provided by law, except that for such meeting only, any warning need not be posted for a period in excess of 20 days, any other provision of law or municipal charter to the contrary notwithstanding. Membership may be terminated only in the manner provided in section 8 of this act.

Sec. 6. Government and organization

(a) The officers of the authority, and their election or designation shall be as follows:

(1) Board of commissioners. The purposes, powers, duties and responsibilities of the authority shall be exercised by the board of commissioners, consisting of ~~two commissioners~~ one commissioner from each municipality which is a member of this authority and two commissioners from the City of Burlington. ~~Such~~ The commissioners shall be appointed by and serve at the pleasure of the legislative body of the member municipality. Any vacancies on the board of commissioners shall be filled by the legislative body of the respective member municipality, but in the event that the legislative body fails to appoint a commissioner within two months from the date of the occurrence of the vacancy, ~~such~~ the vacancy shall be filled by the board of commissioners. Commissioners shall serve without pay.

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Sec. 7. Annual budget and assessments

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(c) The treasurer of the authority, following adoption of the budget, shall apportion the sums required to be contributed by each member municipality

~~according to the average number of weekly miles of service for the 12 month period preceding the adoption of the budget, for each member community, as compared to the average number of weekly miles of service for all member communities for the same period~~ formula for apportionment. The formula for apportionment may be changed by the board of commissioners with the concurrence of ~~all~~ the legislative bodies of at least three-quarters of the member municipalities.

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Sec. 3. Sec. 48 of No. 56 of the Acts of 2003 is amended to read:

Sec. 48. Sec. 4(c)(11) of No. 122 of the Acts of 1973 is amended to read:

* * *

(11) Within Chittenden County and its member municipalities, to acquire by the exercise of the power of eminent domain any real property which it may have found necessary for its purposes, in the manner provided for the condemnation of land or rights therein as set forth in sections 221-233 of Title 19, and acts amendatory thereof or supplementary thereto;

Sec. 4. No. 122 of the Acts of 1973 is amended by adding new sections 12, 13, and 14 to read:

Sec. 12. ASSESSMENTS OF NEW MEMBERS OUTSIDE OF CHITTENDEN COUNTY

Municipalities outside of Chittenden County that vote to join Chittenden County Transportation Authority on or after July 1, 2010, shall negotiate with the board of commissioners of the Chittenden County Transportation Authority on the amount of the levy to be assessed upon the municipality and terms of payment of that assessment; and the municipality may not join prior to agreement with the authority on terms of the levy and payment. Upon the addition of one municipality to the membership of the Chittenden County Transportation Authority from outside Chittenden County, said authority shall immediately begin work on the formula for assessment that will be approved in accordance with this act.

Sec. 13. MUNICIPALITIES AUTHORIZED TO VOTE FOR MEMBERSHIP IN THE CHITTENDEN COUNTY TRANSPORTATION AUTHORITY

The following municipalities are authorized to hold an election for the purpose of determining membership in the Chittenden County Transportation Authority: Barre City, Berlin, Colchester, Hinesburg, Montpelier, Morristown, Richmond, St. Albans City, Stowe, and Waterbury.

Sec. 14. OTHER REPRESENTATION

If Washington, Lamoille, Franklin, or Grand Isle county does not have a municipal member from its county on the board of commissioners of the Chittenden County Transportation Authority, the regional planning commission serving the county may appoint a board member to the Chittenden County Transportation Authority from a member of its regional planning commission or regional planning commission staff to represent its interests on the Chittenden County Transportation Authority board.

Sec. 5. REPEAL

Secs. 46 and 47 of No. 56 of the Acts of 2003 are repealed.

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2011. However, a municipality that is authorized to vote for membership in the Chittenden County Transportation Authority under Secs. 3 and 13 of No. 122 of the Acts of 1973 as amended by this act, shall be authorized to do so at its 2011 annual meeting.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, the recommendation of amendment was agreed to, and third reading of the bill was ordered.

Joint Resolution Adopted on the Part of the Senate**J.R.S. 51.**

Joint Senate resolution entitled:

Joint resolution providing for a Joint Assembly to vote on the retention of two Superior Judges and one Environmental Judge.

Having been placed on the Calendar for action, was taken up and adopted on the part of the Senate.

Senate Resolution Adopted**S.R. 19.**

Senate resolution entitled:

Senate resolution urging Congress to support a fiscal year 2011 federal appropriation for the Northeast Great Waters

Having been placed on the Calendar for action, was taken up and adopted.

Rules Suspended; House Proposal of Amendment Concurred In; Rules Suspended; Bill Delivered

S. 286.

Appearing on the Calendar for notice, on motion of Senator Mazza, the rules were suspended and Senate bill entitled:

An act relating to challenges for change.

Was taken up for immediate consideration.

The House proposes to the Senate to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. LEGISLATIVE INTENT

(a) This act is intended to implement the concepts laid out by the report "Challenges for Change: Results for Vermonters," as prepared by the steering team to the joint legislative government accountability committee and presented to the committee on January 5, 2010.

(b) Vermont state government is faced with a substantial gap between available revenues and projected expenditures based on the current manner of providing services. This act challenges us to redesign how we provide government services. If the challenges are fully met, we will create better methods for providing government services, while spending less money and still achieving the outcomes specified in this act.

(c) This effort will address an estimated \$38 million of the general fund projected shortfall and \$11 million in property tax pressure in fiscal year 2011; and in fiscal year 2012, would reduce spending by \$72 million in general funds and \$26 million in property taxes from fiscal year 2010 levels.

(d) Unlike traditional cuts in spending, these challenges focus both on available funding levels and on the outcomes expected, in order to give our citizens better results with less money.

(e) These challenges would require continued efforts in design and implementation work. This act is starting the reform process by issuing challenges and providing some tools to succeed in meeting those challenges. State agencies, school districts, local governments, and other recipients of state funds will have the opportunity to use their expertise to shape the changes necessary to meet these challenges.

(f) This effort addresses only one-quarter of our fiscal year 2011 shortfall. Efforts to address the remaining budget shortfall will be part of the regular budget process.

(g) This act summarizes the eight challenges in the Challenge Report, establishes the outcomes for each challenge, and requests a design for implementation of each challenge and its related accountability measures. The legislature recognizes and expects this initiative to evolve as all parties together seek to meet these challenges.

(h) The outcomes identified for each of the challenges will be used to guide administrators, policy makers, executives, service providers, and employees in taking action to meet the challenges.

Sec. 2. CHARTER UNIT CHALLENGE

(a) The charter unit challenge is to identify units of state government which agree to improve specified results while spending a combined total of \$2 million less in fiscal year 2011 than in fiscal year 2010 and, in fiscal year 2012, spending \$4.5 million less than in fiscal year 2010, or by generating all or a portion of these amounts in entrepreneurial revenue. The charter units will enter into formal agreements with the secretary of administration to specify between three and eight measurable results to improve, and the flexibility in practices and procedures needed to accomplish the target results.

(b) Outcomes for the charter unit challenge:

(1) Meet challenge target of reducing spending or generating entrepreneurial revenue of \$2 million in general funds in FY2011 and \$4.5 million in general funds in fiscal year 2012.

(2) Increase employees' engagement in their work.

(3) Produce outcomes for Vermonters that are the same as or better than outcomes delivered prior to redesign.

(c) Design and implementation: Within four weeks of the enactment of this legislation, the persons to whom these challenges are issued shall provide the general assembly and the committees of jurisdiction with the following:

(1) A progress report on the plan of implementation.

(2) A request for any changes to or exemptions from existing law, rules, and regulations, or additional authority necessary to meet these challenges and achieve these outcomes.

(3) A proposal for a system of accountability to measure success in meeting the challenges and achieving the outcomes. The proposed system shall include measures that are simple, objective, consistent, and based on data that are currently collected or could easily be collected. The proposed system shall also include a schedule for accountability in meeting these challenges and

achieving these outcomes, and shall identify milestones, include assessments of effectiveness, and provide for quarterly meetings with the house and senate committees of jurisdiction. The proposed system shall be submitted for approval as provided in Sec. 10 of this act.

Sec. 3. PERFORMANCE CONTRACTING AND GRANT-MAKING CHALLENGE

(a) The performance contracting challenge is to institute performance contracting and performance grant-making to achieve better results from contractors and grantees at a fiscal year 2011 cost which is 3.5 percent lower than fiscal year 2010 spending, and at a fiscal year 2012 cost which is 10 percent lower than fiscal year 2010 spending. The goal is to pay contractors based on results, while reducing the total price of contracts and grants. It is also to reduce the cost of compliance for vendors while maintaining compliance with essential state requirements. This challenge is directed to areas of government other than programmatic service grants and contracts in human services which are addressed in Sec. 4 of this act. It does apply to administrative and operational vendor contracts in human services, including such items as Medicaid claims, out-of-state beds, and prisoner health care.

(b) Outcomes for performance contracting and grants:

(1) Increase the use of performance contracts with the goal of converting \$70 million of contracts to performance-based contracts.

(2) Contractors and grantees meet performance targets specified in contracts.

(c) Design and implementation: Within four weeks of the enactment of this legislation, the persons to whom these challenges are issued shall provide the general assembly and the committees of jurisdiction with the following:

(1) A progress report on the plan of implementation.

(2) A request for any changes to or exemptions from existing law, rules, and regulations, or additional authority necessary to meet these challenges and achieve these outcomes.

(3) A proposal for a system of accountability to measure success in meeting the challenges and achieving the outcomes. The proposed system shall include measures that are simple, objective, consistent, and based on data that are currently collected or could easily be collected. The proposed system shall also include a schedule for accountability in meeting these challenges and achieving these outcomes, and shall identify milestones, include assessments of effectiveness, and provide for quarterly meetings with the house and senate

committees of jurisdiction. The proposed system shall be submitted for approval as provided in Sec. 10 of this act.

Sec. 4. HUMAN SERVICES CHALLENGE

(a) The client-centered, results-based, human services challenge to the state's human service administrators, employees, and service providers is to redesign delivery of the state's human services programs and health care system as a client-centered, integrated system that improves outcomes within budget constraints. There are four parts to this challenge:

(1) Client-centered intake and client-centered coordinated and managed services. Improve the outcomes for individuals and families receiving services from the agency of human services, while spending five percent less in fiscal year 2011 than in fiscal year 2010 and in fiscal year 2012 spending 10 percent less than in fiscal year 2010, by redesigning the delivery of services to be more efficient, interconnected, and targeted to achieve the essential outcomes with less duplication of services.

(2) Support services promoting independence of elders and individuals with disabilities. Maintain or improve services for elders and individuals with disabilities by redesigning how support services are provided and by allowing family members who desire to be caregivers to provide part of the support services, while spending two percent less in fiscal year 2011 than in fiscal year 2010 and five percent less in fiscal year 2012 than in fiscal year 2010.

(3) Expand the policy of using payment methods based on outcome measures. Redesign grants and contracts made by the agency to service providers to use payment methods to achieve spending five percent less in fiscal year 2011 than in fiscal year 2010 and 10 percent less in fiscal year 2012 than in fiscal year 2010, while maintaining or improving service.

(4) Outcomes-based contracts with the designated agencies. Improve the outcomes of individuals and families served by the 17 agencies designated under 18 V.S.A. § 8905 to provide mental health services and services to individuals with a developmental disability, while spending five percent less in fiscal year 2011 than in fiscal year 2010 and 7.5 percent less in fiscal year 2012 than in fiscal year 2010, by enhancing collaboration among these agencies and by redesigning the contracts.

(b) The agency of human services shall be governed by the general outcomes in subdivision (1) of this subsection, while achieving the specific outcomes in subdivision (2):

(1) General outcomes.

(A) Children, families, and individuals are engaged in and contribute to their community's decisions and activities.

(B) Pregnant women and children thrive.

(C) Children are ready for school.

(D) Children succeed in school.

(E) Children live in safe, nurturing, stable, supported families.

(F) Youths choose healthy behaviors.

(G) Youths successfully transition to adulthood.

(H) Elders, people with disabilities, and individuals with mental health conditions live with dignity and independence in settings they prefer.

(I) Families and individuals live in safe and supportive communities.

(J) Adults lead healthy and productive lives.

(K) Vermonters receive affordable and appropriate health care at the appropriate time, and health care costs are contained over time.

(L) Families and individuals move out of poverty through education and advancement in employment.

(2) Specific outcomes.

(A) Client-centered intake.

(i) Individuals and families will direct their own lives and will be supported in pursuing their own choices, goals, aspirations, and preferences.

(ii) Individuals and families will have access to apply for health and human services programs for which they are eligible through any department or office of the agency.

(B) Client-centered coordinated and managed services.

(i) Individuals and families will direct their own lives and will be supported in pursuing their own choices, goals, aspirations, and preferences.

(ii) The individual will be at the core of all plans and services and will be treated with dignity and respect.

(iii) Individuals and families with multiple needs will have coordinated services with a single point of accountability to manage the services.

(iv) The agency and service providers will work across departments and organizations to interweave funding sources to ensure

efficient and effective use of available funds to meet individuals' and families' needs in order to promote the outcomes in this subsection (b).

(v) The agency and service providers will involve employees and consumers of services in developing the strategies to meet these outcomes.

(C) Support services promoting independence of elders and individuals with disabilities.

(i) All service providers will have performance measures or indicators based on the outcomes in this subsection (b).

(ii) The individual's personal and economic independence will be promoted.

(iii) Families who choose to be caregivers will be supported to provide available and appropriate services for elders and individuals with disabilities.

(iv) Families will receive relief from caregiving responsibilities in order to continue to provide care over the long term.

(D) Expand the policy of using payment methods based on outcome measures.

(i) The administrative and reporting burden for nongovernmental service providers will be reduced.

(ii) Each nongovernmental service provider will have performance measures or indicators based on the outcomes provided for in this subsection (b).

(iii) Nongovernmental service providers will report performance measures or indicators of outcomes once for all grants or contracts with the agency to ensure efficient and simple administration.

(E) Outcome-based contracts with the designated agencies.

(i) The administrative and reporting burden for the designated agencies will be reduced.

(ii) The designated agencies will have performance measures or indicators based on the outcomes provided for in this subsection (b).

(iii) The designated agencies will report performance measures or indicators of outcomes once for all grants or contracts with the agency to ensure efficient and simple administration.

(c) Design and implementation: Within four weeks of the enactment of this legislation, the persons to whom these challenges are issued shall provide the general assembly and the committees of jurisdiction with the following:

(1) A progress report on the plan of implementation.

(2) A request for any changes to or exemptions from existing law, rules, and regulations, or additional authority necessary to meet these challenges and achieve these outcomes.

(3) A proposal for a system of accountability to measure success in meeting the challenges and achieving the outcomes. The proposed system shall include measures that are simple, objective, consistent, and based on data that are currently collected or could easily be collected. The proposed system shall also include a schedule for accountability in meeting these challenges and achieving these outcomes, and shall identify milestones, include assessments of effectiveness, and provide for quarterly meetings with the house and senate committees of jurisdiction. The proposed system shall be submitted for approval as provided in Sec. 10 of this act.

Sec. 5. CORRECTIONS CHALLENGE

(a) The corrections challenge is to the secretary of human services, commissioner of education, and administrative judge to collaborate to develop a plan which if implemented would reduce the number of people entering the corrections system, decrease the recidivism rate, improve community safety, and reduce the corrections budget by \$10 million in fiscal year 2011 and \$10 million in fiscal year 2012. In fiscal year 2011, \$3 million of the \$10 million saved, and in fiscal year 2012, \$2 million of the \$10 million saved shall be reinvested in programs and services which will reduce the number of people entering the criminal justice system and decrease the recidivism of those who do enter the system.

(b) Outcomes:

(1) The number of people returned to prison for technical violation of probation and parole, while ensuring public safety, shall decrease.

(2) The number of people coming into the corrections system shall decrease.

(3) The number of nonviolent offenders diverted from prison into the community while ensuring public safety and providing effective consequences for criminal behavior shall increase.

(4) Recidivism shall decrease.

(5) A unified crime prevention and justice system shall be established.

(6) Revenues realized within the corrections system from programs designed to develop skills of offenders shall increase.

(7) Short-term lodgings in department of corrections facilities shall decrease.

(c) Design and implementation: Within four weeks of the enactment of this legislation, the persons to whom these challenges are issued shall provide the general assembly and the committees of jurisdiction with the following:

(1) A progress report on the plan of implementation.

(2) A request for any changes to or exemptions from existing law, rules, and regulations, or additional authority necessary to meet these challenges and achieve these outcomes.

(3) A proposal for a system of accountability to measure success in meeting the challenges and achieving the outcomes. The proposed system shall include measures that are simple, objective, consistent, and based on data that are currently collected or could easily be collected. The proposed system shall also include a schedule for accountability in meeting these challenges and achieving these outcomes, and shall identify milestones, include assessments of effectiveness, and provide for quarterly meetings with the house and senate committees of jurisdiction. The proposed system shall be submitted for approval as provided in Sec. 10 of this act.

Sec. 6. EDUCATION CHALLENGES

(a)(1) The focus on learning challenge is to education policy makers and school administrators to improve student learning and reduce costs of administration, resulting in education spending savings of \$13.3 million in fiscal year 2011, and education spending savings of \$40 million in fiscal year 2012. In fiscal year 2012, 25 percent of the total savings will be reinvested in instructional activities.

(2) The special education incentives challenge is to education policy makers and school administrators to improve special education student outcomes, including graduation rates and employment, while spending five percent less in fiscal year 2011 than in fiscal year 2010, and 7.5 percent less in fiscal year 2012 than in fiscal year 2010.

(b) The outcomes for education for the focus on learning and special education challenges, each of which outcomes is equally important, are:

(1) Increase electronic and distance learning opportunities that enhance learning, increase productivity, and promote creativity.

(2) Increase the secondary school graduation rates for all students.

(3) Increase the aspiration, continuation, and completion rates for all students in connection with postsecondary education and training.

(4) Increase administrative efficiencies within education governance in a manner that promotes student achievement.

(5) Increase cost-effectiveness in delivery of support services for students with individualized education plans.

(6) Increase the use of early intervention strategies that enable students to be successful in the general education environment and help avoid the later need for more expensive interventions.

(c) Design and implementation: Within four weeks of the enactment of this legislation, the persons to whom these challenges are issued shall provide the general assembly and the committees of jurisdiction with the following:

(1) A progress report on the plan of implementation.

(2) A request for any changes to or exemptions from existing law, rules, and regulations, or additional authority necessary to meet these challenges and achieve these outcomes.

(3) A proposal for a system of accountability to measure success in meeting the challenges and achieving the outcomes. The proposed system shall include measures that are simple, objective, consistent, and based on data that are currently collected or could easily be collected. The proposed system shall also include a schedule for accountability in meeting these challenges and achieving these outcomes, and shall identify milestones, include assessments of effectiveness, and provide for quarterly meetings with the house and senate committees of jurisdiction. The proposed system shall be submitted for approval as provided in Sec. 10 of this act.

Sec. 7. REGULATORY CHALLENGE

(a) The regulatory reform challenge is to the state's environmental and energy regulatory systems to achieve the current standards, goals, and requirements of federal and state law and regulation through improved administrative, application review, and compliance processes while spending three percent less in the agency of natural resources' and agency of agriculture, food and markets' budgets in each fiscal year 2011 and 2012 than in fiscal year 2010.

(b) Outcomes for regulatory reform: The secretary of natural resources, the secretary of agriculture, food and markets, the chair of the public service board, the chair of the natural resources board, the commissioner of public service, and the administrative judge shall protect Vermont's natural resources and collaborate to develop a plan that when implemented will meet the following outcomes:

(1) The permitting and licensing processes achieve environmental standards, and are clear, timely, predictable, and coordinated between agencies and municipalities.

(2) The permitting process enables applicants to readily determine what permits and licenses are needed and what information must be submitted to apply for those permits and licenses.

(3) The permit and enforcement processes enable citizens and visitors to the state of Vermont to understand and comply with the laws protecting our natural and agricultural resources.

(4) Permitting, licensing, and environmental protective services are cost-effective and user friendly.

(5) The decision-making process is transparent, and citizens understand and participate in the process.

(c) Design and implementation: Within four weeks of the enactment of this legislation, the persons to whom these challenges are issued shall provide the general assembly and the committees of jurisdiction with the following:

(1) A progress report on the plan of implementation.

(2) A request for any changes to or exemptions from existing law, rules, and regulations, or additional authority necessary to meet these challenges and achieve these outcomes.

(3) A proposal for a system of accountability to measure success in meeting the challenges and achieving the outcomes. The proposed system shall include measures that are simple, objective, consistent, and based on data that are currently collected or could easily be collected. The proposed system shall also include a schedule for accountability in meeting these challenges and achieving these outcomes, and shall identify milestones, include assessments of effectiveness, and provide for quarterly meetings with the house and senate committees of jurisdiction. The proposed system shall be submitted for approval as provided in Sec. 10 of this act.

(d) The proposal for a system of accountability measures described in subdivision (c)(3) of this section shall also include measurements to determine

the rate of compliance with time limits established under 3 V.S.A. § 2822(g) (time limits for agency of natural resource permit applications) and 10 V.S.A. § 6083(d) (time limits for Act 250 permit applications) and whether those time limits can be reduced.

Sec. 8. ECONOMIC DEVELOPMENT CHALLENGE

(a) The economic development challenge is to improve economic development results while spending \$3.4 million less in both fiscal years 2011 and 2012 than in fiscal year 2010.

(1) The challenges for change initiative calls for a \$3.4 million dollar reduction in economic development spending in both fiscal years 2011 and 2012 on economic development programs identified in the unified economic development budget in the agency of commerce and community development; the agency of administration; the agency of agriculture, food and markets; the department for children and families; the department of labor; and the department of public service, as well as economic development-related tax expenditures, incentives, and subsidies identified in the unified economic development budget, and in telecommunications.

(2) Of the \$34.26 million of appropriations in the unified economic development budget, approximately \$24.3 million comes from state funding and approximately \$9.95 million comes from federal funding.

(3) The challenge is to improve economic development results as described in this subsection by:

(A) identifying measurable results of improvement;

(B) designing evidence-based economic development strategies to achieve these improvements and the four goals of economic development identified in 10 V.S.A. § 3;

(C) directing available state funds to these strategies; and

(D) using objective, data-based indicators to measure performance of these strategies.

(b) Outcomes for economic development:

(1) Vermont achieves a sustainable annual increase in nonpublic sector employment and in median household income.

(2) Vermont attains a statewide, state-of-the-art telecommunications infrastructure.

(c) Design and implementation: Within four weeks of the enactment of this legislation, the persons to whom these challenges are issued shall provide the general assembly and the committees of jurisdiction with the following:

(1) A progress report on the plan of implementation.

(2) A request for any changes to or exemptions from existing law, rules, and regulations, or additional authority necessary to meet these challenges and achieve these outcomes.

(3) A proposal for a system of accountability to measure success in meeting the challenges and achieving the outcomes. The proposed system shall include measures that are simple, objective, consistent, and based on data that are currently collected or could easily be collected. The proposed system shall also include a schedule for accountability in meeting these challenges and achieving these outcomes, and shall identify milestones, include assessments of effectiveness, and provide for quarterly meetings with the house and senate committees of jurisdiction. The proposed system shall be submitted for approval as provided in Sec. 10 of this act.

Sec. 9. APPROPRIATIONS; REDUCTIONS AND INVESTMENTS

(a) In creating the challenges for change and design for implementation, the general assembly and the executive branch have worked together. In implementation, the executive branch will take the lead, in accordance with established outcomes and accountability measures and reporting, with a joint executive and legislative steering team, appointed by the joint government accountability committee, to oversee the implementation.

(b) In fiscal year 2011, the secretary of administration is authorized to reduce general fund appropriations or reduce other appropriated funds and make transfers to the general fund and is authorized to reinvest a portion of the reduced funds, as specified in the following subsections. The secretary of administration, in consultation with the steering team, shall develop an initial outline for the use of these reinvestment funds in one-time expenditures which will most successfully implement the challenges. This outline should include investment criteria, should reserve a portion of the funding for future innovations not yet identified, and should provide both guidance and flexibility to the implementing agencies and departments. Agencies and departments may apply to the secretary of administration for reinvestment funds in accordance with the outline. The secretary of administration shall report at least monthly to the steering team and the joint legislative government accountability committee on funds reinvested to meet these challenges.

(c) The secretary of administration shall have the following authority for each of the challenges:

(1) Charter Units. In fiscal year 2011, the secretary may reduce up to \$3 million of general funds appropriated to units of government that become charter units or make similar transfers to the general fund and may reinvest up to \$1 million of these funds to foster Charter Unit innovation.

(2) Performance Contracting and Grant Making. In fiscal year 2011, the secretary shall reduce general fund appropriations or make transfers to the general fund, or both, by a total of at least \$2,600,000.00; and to achieve this reduction, the secretary may reduce total appropriations up to \$7,000,000.00. The secretary may invest in performance contracting up to \$500,000.00 at any time during fiscal year 2011, so long as the general fund appropriation reductions under this subsection, by the end of fiscal year 2011, after this investment, equal or exceed \$2,600,000.00.

(3) Human Services. In fiscal year 2011, the secretary shall reduce human services general fund appropriations or make transfers to the general fund, or both, by a total of at least \$16,816,000.00; and to achieve this reduction, the secretary may reduce total appropriations up to \$46,040,000.00. The secretary may invest up to \$4,000,000.00 as needed to accomplish this challenge at any time during fiscal year 2011, so long as the general fund appropriation reductions under this subsection, by the end of fiscal year 2011, after this investment, equal or exceed \$16,816,000.00.

(4) Corrections. In fiscal year 2011, the secretary may reduce general fund appropriations in the department of corrections or other criminal justice system organization budgets by up to \$10,000,000.00 and may reinvest up to \$3,000,000.00 to accomplish this challenge; but shall reduce general fund appropriations by at least \$7,000,000.00 plus the amount of reinvestment.

(5) Education. Focus on Learning. In fiscal year 2011, the secretary shall reduce the general fund appropriation and transfer to the education fund by \$3,966,375.00. It is expected that as part of the implementation plan developed in this act, total local education spending related to administration, which includes expenditures related to general administration, school administration, and other support services as defined in the Summary of Annual Statistical Report of Schools (SASRS) as determined by the commissioner of education in consultation with the secretary of administration, will be reduced by \$13,332,500.00 from the 2009 estimates of fiscal year 2011 education spending used to determine property tax rate adjustments under 32 V.S.A. § 5402b; and up to \$2,000,000.00 of education funds may be allocated for reinvestment to meet this challenge, and savings in excess of

\$3,966,375.00 plus the amount of the reinvested funds will result in lower property taxes.

(6) Special Education Incentives. In fiscal year 2011, the secretary shall reduce the general fund appropriation and transfer to the education fund by \$2,100,000.00. It is expected that as part of the implementation plan developed in this act, total special education spending will be reduced by \$7,000,000.00, and of this total, \$1,000,000.00 of education funds will be allocated for reinvestment to meet the challenge, and the remainder will result in lower property taxes. It is anticipated that \$4,200,000.00 of this reduction will have an impact on the special education grant.

(7) Regulatory Reform. In fiscal year 2011, the secretary shall reduce total general fund appropriations in the agencies of natural resources and agriculture, food and markets by \$360,000.00, and to achieve this reduction, the secretary may reduce total appropriations to these agencies by up to \$1,720,000.00, and may reinvest up to \$400,000.00 to accomplish this challenge, so long as the general fund reductions under this subsection, by the end of fiscal year 2011, equal or exceed \$360,000.00.

(8) Implement an Economic Development Strategy. In fiscal year 2011, the secretary shall reduce total general fund appropriations related to economic development by \$3,030,000.00, and to achieve this reduction, the secretary may reduce total appropriations related to economic development by up to \$3,430,000.00, and may reinvest up to \$400,000.00 to accomplish this challenge, so long as the general fund reductions under this subsection, by the end of fiscal year 2011, equal or exceed \$3,030,000.00.

(d) In fiscal year 2010, up to \$4,000,000.00 of general funds are appropriated to the secretary of administration for one-time investments authorized in this act to meet the challenges. These funds shall be subject to requirements of subsection (b) of this section. The investments made in each challenge with the general funds appropriated in this subsection shall be offset within each challenge by a like amount of appropriation reductions or transfer of other funds to the general fund in fiscal year 2011, and reduction by a like amount of the investment identified in subsection (c) of this section for that challenge.

Sec. 10. ADDITIONAL LEGISLATIVE STEPS TO IMPLEMENT THE CHALLENGES FOR CHANGE

(a) Within two weeks after submission of the proposed systems of accountability to the committees of jurisdiction, including all committees which participated in the design of the outcomes, those committees shall consider the proposed systems and make their recommendations to the joint

government accountability committee (GAC) on whether the proposed systems will provide sufficient information for legislative oversight of progress toward the outcomes.

(b) GAC, upon recommendation from the committees, shall vote whether the proposed systems are sufficient and should be accepted, in whole or in part. For any portion of the proposed systems not accepted, GAC shall request the secretary of administration to revise and resubmit new proposed systems to the committees for their review and recommendation to GAC, followed by GAC's vote for acceptance or further request to the secretary of administration for revision and resubmission.

Sec. 11. EFFECTIVE DATE

This act shall take effect upon passage.

Thereupon, the question, Shall the Senate concur in the House proposal of amendment?, was decided in the affirmative.

Thereupon, on motion of Senator Mazza, the rules were suspended and the bill was ordered delivered to the Governor forthwith.

House Concurrent Resolutions

The following joint concurrent resolutions having been placed on the consent calendar on the preceding legislative day, and no Senator having requested floor consideration as provided by the Joint Rules of the Senate and House of Representatives, are hereby adopted in concurrence:

By All Members of the House,

By All Members of the Senate,

H.C.R. 245.

House concurrent resolution congratulating the League of Women Voters on its 90th anniversary.

By Representative Copeland-Hanzas and others,

H.C.R. 246.

House concurrent resolution honoring book artist Lucy Swope of West Fairlee.

By Representative Howrigan and others,

By Senators Brock and Kittell,

H.C.R. 247.

House concurrent resolution honoring Lyndon Corey for his half-century of remarkable leadership and service at the Fairfield Fire Department.

By Representative Pugh and others,

H.C.R. 248.

House concurrent resolution congratulating Healthy Living Natural Foods Market of South Burlington on winning the Vermont Grocers' Association Retailer of the Year award.

By Representative Pugh and others,

H.C.R. 249.

House concurrent resolution honoring Theodore Manazir for his exemplary 29 years of public service as a member of the South Burlington school board upon his retirement from the board.

By Representative Savage and others,

By Senators Brock and Kittell,

H.C.R. 250.

House concurrent resolution honoring the exemplary performance of the volunteer fire departments of Sheldon, Swanton, Enosburg, Cambridge, Fairfield, Highgate, and St. Albans Town in combating the August 2009 RockTenn Mill blaze in Sheldon Springs.

By Representative Stevens,

By Senators Ayer and Giard,

H.C.R. 251.

House concurrent resolution in memory of Shoreham firefighter Peter James Coe.

By Representative Howard and others,

H.C.R. 252.

House concurrent resolution celebrating the 25th anniversary of the inauguration of Vermont's first woman governor, Madeleine May Kunin.

By Representative Devereux,

By Senators Nitka, Campbell and McCormack,

H.C.R. 253.

House concurrent resolution congratulating the 2009 Black River High School Presidents boys' soccer team on winning the school's third consecutive Division IV championship.

By Representative Brennan and others,

By Senator Mazza,

H.C.R. 254.

House concurrent resolution in memory of Colchester Selectman Brian William McNeil.

By Representatives Moran and Manwaring,

By Senators Hartwell, Sears, Shumlin and White,

H.C.R. 255.

House concurrent resolution honoring the towns and citizens of Dover, Whitingham, and Wilmington for their creativity in establishing a mutually beneficial economic development model that other communities can adopt.

[The full text of the House concurrent resolutions appeared in the Senate calendar addendum for February 19, 2010, and, if adopted in concurrence by the House, will appear in the volume of the Public Acts and Resolves to be published for this session of the sixty-ninth biennial session of the Vermont General Assembly.]

Adjournment

On motion of Senator Mazza, the Senate adjourned until ten o'clock and thirty minutes in the morning.