

NO. 200. AN ACT RELATING TO CAPITAL CONSTRUCTION AND  
STATE BONDING.

(S.365)

It is hereby enacted by the General Assembly of the State of Vermont:

\* \* \* Capital Appropriations\* \* \*

Sec. 1. STATE BUILDINGS

The following is appropriated in total to the department of buildings and general services, and the commissioner is authorized to direct funds appropriated in this section to the projects contained in this section; however, no project shall be canceled unless the chairs of the senate committee on institutions and the house committee on corrections and institutions are notified before that action is taken. The individual allocations in this section are estimates only.

<u>(1) Statewide, Americans with Disabilities Act (ADA) – for improvements at the Robert H. Wood, Jr. Criminal Justice and Fire Service Training Center of Vermont in Pittsford:</u>	<u>125,000</u>
<u>(2) Statewide, building reuse:</u>	<u>100,000</u>
<u>(3) Statewide, contingency fund:</u>	<u>500,000</u>
<u>(4) Statewide, major maintenance:</u>	<u>7,076,089</u>
<u>(5) Statewide, planning:</u>	<u>25,000</u>
<u>(6) Montpelier, 120 State Street, elevator replacement:</u>	<u>450,000</u>
<u>(7) Montpelier, 120 State Street, window replacement:</u>	<u>500,000</u>

<u>(8) Springfield state office building, supplement:</u>	<u>300,000</u>
<u>(9) St. Albans, 20 Houghton Street, roof repairs:</u>	<u>250,000</u>
<u>(10) St. Albans, 20 Houghton Street, heating, ventilation, and air conditioning (HVAC) improvements:</u>	<u>450,000</u>
<u>(11) St. Albans, correctional facility sewer upgrade:</u>	<u>600,000</u>
<u>(12) State Archives, relocation to Middlesex, design, and construction:</u>	<u>1,500,000</u>
<u>(13) State House, locks for desks in the house of representatives subject to approval of the state house legislative advisory committee and the joint rules committee:</u>	<u>25,000</u>
<u>Total appropriation – Section 1</u>	<u>\$11,901,089</u>

## Sec. 2. TAXES

The sum of \$100,000 is appropriated to the department of taxes for an ongoing project to update statewide quadrangle maps through digital orthophotographic quadrangle mapping.

<u>Total appropriation – Section 2</u>	<u>\$100,000</u>
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## Sec. 3. HEALTH AND PUBLIC SAFETY LABORATORIES/BUILDING

### #617 IN ESSEX

The sum of \$5,000,000 is appropriated to the department of buildings and general services for construction and renovation of Building #617 in Essex, including co-location of the department of health and department of public safety forensics laboratories or other options pursuant to Sec. 31 of this act.

Total appropriation - Section 3 \$5,000,000

Sec. 4. HUMAN SERVICES

(a) The following is appropriated in total to the department of buildings and general services for the agency of human services for the projects described in this section.

(1) Vermont state hospital, ongoing security and maintenance:

100,000

(2) Vermont state hospital, to study the feasibility of converting the Dale correctional facility, converting the Brooks facility, or contracting for new construction to create a secure residential facility in Waterbury, and for continued planning, design, and permitting associated with the certificate of need (CON) process for a facility or facilities to replace any of the functions of the current Vermont State hospital:

250,000

(3) Corrections, continuation of suicide abatement project:

124,000

(4) Corrections, renovations to St. Albans northwest regional correctional facility to be a women's facility, closing the Dale facility in Waterbury as a correctional facility, and renovations to the Windsor southeast regional correctional facility to be a therapeutic and substance abuse treatment work camp. Program changes associated with the renovations shall be funded from the department of corrections budget and not from capital funds. A portion of the funds shall be used to create a child and family friendly area where children can visit their incarcerated parents. The department of

corrections shall work with community-based organizations to provide services for inmates, including at least as many services in the St. Albans facility as were offered in the Dale and Windsor facilities. Based on a recommendation to the corrections oversight committee from the commissioner of corrections, on feasibility and costs of providing a transition housing unit modeled on the transition housing unit at the Chittenden Regional Correctional Facility within the Northwest State Correctional Facility, the commissioner shall use any remaining funds to build the units: 1,845,000

(b) The following is appropriated to the department of buildings and general services for the St. Albans City Police Department to construct two holding cells in the city lockup: 20,000

Total appropriation – Section 4 \$2,339,000

Sec. 5. JUDICIARY

The sum of \$719,676 is appropriated to the department of buildings and general services for the judiciary for security improvements, renovations, and mechanical upgrades at the Windham district and family courthouse in Brattleboro.

Total appropriation – Section 5 \$719,676

## Sec. 6. BUILDING COMMUNITIES GRANTS

The following sums are appropriated for building communities grants:

(1) To the agency of commerce and community development, division for historic preservation, for the historic preservation grant program established in 24 V.S.A. § 5602: 180,000

(2) To the agency of commerce and community development, division for historic preservation, for the historic barns preservation grant program established in 24 V.S.A. § 5603. However, funds shall not be granted to projects which propose to remove historic building features, even if they were added after the original construction of the building. The division for historic preservation, with the approval of the commissioner of housing and community affairs, may use up to \$20,000 of the funds appropriated in this subdivision to conduct a statewide census of Vermont barns for the purpose of future restoration efforts: 180,000

(3) To the agency of commerce and community development, division for historic preservation, for the cultural facilities grant program established in 24 V.S.A. § 5604: 180,000

(4) To the department of buildings and general services for the recreational facilities grant program established in 24 V.S.A. § 5605: 180,000

(5) To the department of buildings and general services for the human services and educational facilities competitive grant program established in 24 V.S.A. § 5606: 180,000

(6) To the department of information and innovation for the Vermont telecommunications authority for the broadband development grant program established in Sec. 3 of No. 79 of the Acts of 2007: 180,000

Total appropriation – Section 6 \$1,080,000

Sec. 7. COMMERCE AND COMMUNITY DEVELOPMENT

(a) The following sums are appropriated to the department of buildings and general services for the agency of commerce and community development for the following projects:

(1) Major maintenance at historic sites statewide; provided such maintenance shall be under the supervision of the department of buildings and general services: 200,000

(2) Continued planning and design to expand the visitors' center at the Calvin Coolidge state historic site in Plymouth Notch. These funds, and up to \$84,100 of unexpended funds from previous years' appropriations, may be used as matching funds for a challenge grant from the National Endowment for the Humanities: 200,000

(b) The following sums are appropriated to the agency of commerce and community development for the following projects:

(1) Protecting, preserving, moving, or reinterring human remains

<u>discovered in unmarked burial sites:</u>	<u>25,000</u>
<u>(2) Underwater preserves:</u>	<u>25,000</u>
<u>(3) Placement and replacement of roadside historic site markers:</u>	<u>10,000</u>
<u>Total appropriation – Section 7</u>	<u>\$460,000</u>

## Sec. 8. EDUCATION

The following is appropriated in total to the department of education for the purposes described in this section:

(1) State aid for school construction projects pursuant to section 3448 of Title 16, to be expended on projects prioritized for funding by the state board of education on December 18, 2007:

10,000,000

(2) For the Walden School District, for 25 percent of the eligible costs of roof repairs at the Walden School:

6,750

(3) Establishment of a school energy grant program to pay the costs of conducting comprehensive energy engineering analyses of school buildings by qualified engineers. Under this pilot program, the department of education shall award grants to Vermont public schools for an amount equal to 100 percent of the cost to conduct an energy engineering analysis. Grant awards shall not exceed \$10,000 per application; however, school districts retain the right to spend more than \$10,000 on the energy engineering analysis, but shall in this instance be solely responsible for the additional costs incurred. The commissioner of education shall develop guidelines and selection criteria

necessary to implement the pilot program, and shall report to the senate committee on institutions and the house committee on corrections and institutions on or before January 15, 2009 and again on or before January 15, 2010 on the status of the pilot project, including the total number of grants awarded, the dollar amount of each grant awarded, and the outcome of each grant recipient's energy engineering analysis:

<u>grant recipient's energy engineering analysis:</u>	<u>50,000</u>
<u>Total appropriation – Section 8</u>	<u>\$10,056,750</u>

#### Sec. 9. AUSTINE SCHOOL

The sum of \$50,000 is appropriated to the department of buildings and general services for the renovation of Holton Hall at the Austine School.

<u>Total appropriation – Section 9</u>	<u>\$50,000</u>
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#### Sec. 10. UNIVERSITY OF VERMONT

The sum of \$1,600,000 is appropriated to the University of Vermont for construction, renovation, or maintenance projects. The university shall file with the general assembly on or before January 15 an annual report that details the status of capital projects funded in whole or in part by state capital appropriations, including an explanation of the process for bidding for contractors or subcontractors where the amount of the contract or subcontract exceeds \$50,000.

<u>Total appropriation – Section 10</u>	<u>\$1,600,000</u>
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#### Sec. 11. VERMONT STATE COLLEGES

The sum of \$1,600,000 is appropriated to the Vermont State Colleges for

major facility maintenance. The state colleges shall file with the general assembly on or before January 15 an annual report that details the status of capital projects funded in whole or in part by state capital appropriations, including an explanation of the process for bidding for contractors or subcontractors where the amount of the contract or subcontract exceeds \$50,000.

Total appropriation – Section 11 \$1,600,000

Sec. 12. NATURAL RESOURCES

(a) The following is appropriated in total to the agency of natural resources for water pollution control projects:

(1) State matching funds for the pollution control and clean water state revolving fund administered in accordance with chapter 55 of Title 10 and chapter 120 of Title 24: 2,100,000

(2) Pollution control projects in Springfield and Newport City: 2,000,000

(3) Wastewater facilities project in Pownal: 1,500,000

(4) Interest on short-term borrowing associated with delayed grant funding for the Pownal project: 100,000

Total Appropriation - Section 12(a) \$5,700,000

(b) The following is appropriated in total to the agency of natural resources for the drinking water state revolving fund: 1,900,000

(c) The following is appropriated in total to the agency of natural resources for the clean and clear program to accelerate the reduction of phosphorus discharges into Lake Champlain and other waters of the state:

<u>(1) Ecosystem restoration and protection:</u>	<u>1,120,000</u>
<u>(2) Unregulated stormwater management:</u>	<u>150,000</u>
<u>(3) Wastewater phosphorus removal at municipal wastewater treatment plants:</u>	<u>550,000</u>
<u>(4) For the Farmers Watershed Alliance, to reduce phosphorus loads to Lake Champlain:</u>	<u>30,000</u>
<u>(5) For the Natural Resource Conservation Districts, to reduce phosphorus loads to the waters of the state:</u>	<u>50,000</u>
<u>Total Appropriation - Section 12(c)</u>	<u>\$1,900,000</u>

(d) The following sum is appropriated to the agency of natural resources for the state's year-one share of the federal match to conduct a three-year study of spring flooding in the city of Montpelier. However, the state shall not enter into any commitment to pay for construction of flood control improvements without legislative approval:

100,000

(e) The following sums are appropriated to the agency of natural resources for the department of forests, parks and recreation for the purposes described in this subsection:

(1) Rehabilitation of aging state park infrastructure: 800,000

(2) For the Green Mountain Club, Inc. for the procurement in fee simple or by easement of properties along the Long Trail: 25,000

Total Appropriation - Section 12(e) \$825,000

(f) The following sums are appropriated to the agency of natural resources for the department of fish and wildlife for projects described in this subsection:

(1) Filter building at the Bald Hill Fish Culture Station: 125,000

(2) Road resurfacing, dismantling of a degraded building, shooting range modifications, or any combination of these at Buck Lake conservation camp: 50,000

(3) For the Lake Champlain Walleye Association, Inc. to upgrade and repair the walleye rearing, restoration, and stocking infrastructure: 25,000

(4) For the purchase and installation of a generator at the Salisbury fish culture station: \$100,000

(5) Purchase and installation of an autonomous pump at the Ed Weed Fish Culture Station in Grand Isle: 90,000

Total Appropriation Section 12(f) \$390,000

Total appropriation – Section 12 \$10,815,000

### Sec. 13. MILITARY

The following is appropriated in total to the department of the military for the projects described in this section. If the state's share of site acquisition costs in subdivision (1) of this section exceeds \$150,000, the department of the

military may use funds appropriated in subdivision (2) of this section as needed for the state's share:

<u>(1) Site acquisition for the combined northern field maintenance shop and Morrisville armory:</u>	<u>150,000</u>
<u>(2) Design and implementation of energy conservation projects at up to ten armories:</u>	<u>200,000</u>
<u>Total appropriation – Section 13</u>	<u>\$350,000</u>

#### Sec. 14. PUBLIC SAFETY

The following sums are appropriated in total to the department of buildings and general services for the department of public safety:

<u>(1) For removal of the pump island and underground storage tank in Waterbury:</u>	<u>15,000</u>
<u>(2) For health and security upgrades at the Bradford field station:</u>	<u>100,000</u>
<u>Total appropriation – Section 14</u>	<u>\$115,000</u>

#### Sec. 15. FIRE SERVICE TRAINING

The following sums are appropriated for fire service training:

<u>(1) To the department of buildings and general services for the Vermont fire service training council for construction of a fire training facility at the Robert H. Wood, Jr. Criminal Justice and Fire Service Training Center of Vermont in Pittsford. Capital funds appropriated for construction of this project shall not exceed the sum of \$2,000,000:</u>	<u>2,000,000</u>
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(2) To the department of public safety for the Vermont fire service training council to purchase Candidate Physical Ability Test (CPAT) equipment for use by volunteer or professional firefighters at the Robert H. Wood, Jr. Criminal Justice and Fire Service Training Center of Vermont in Pittsford, at Vermont Technical College, or at any other location around the state, if feasible: 60,000

(3) To Vermont State Colleges as the state’s financial contribution to the construction of a steel burn building at the Vermont Technical College campus in Randolph. The state’s appropriation is contingent upon receipt by Vermont Technical College of a \$406,000 federal appropriation earmarked for construction of the steel burn building. As a condition of the state’s appropriation, Vermont Technical College shall provide use of classrooms and dormitories for firefighter training during times when they are not otherwise needed for Vermont Technical College programs or services. In the event the federal funds earmarked for this project are not received by February 1, 2009, the appropriation of this subdivision shall revert to the department of buildings and general services for future capital expenditures. It is the intent of the general assembly that the Robert H. Wood, Jr. Criminal Justice and Fire Service Training Center of Vermont in Pittsford shall be the headquarters for the fire service training council: 240,000

Total appropriation – Section 15 \$2,300,000

Sec. 16. AGRICULTURE, FOOD AND MARKETS

The following sums are appropriated in total to the agency of agriculture, food and markets for the purposes described in this section:

(1) For the best management practice implementation cost share program, to continue to develop best management practices on Vermont farms. Farmers participating in this program are eligible for cost share funds not to exceed \$75,000 or 80 percent of a project: 1,800,000

(2) For the agricultural buffer program, to install water quality conservation buffers, and for the capital equipment assistance program established in 6 V.S.A. § 4828. Up to \$250,000 of this amount shall be for the capital equipment assistance program, provided that the state's share shall not exceed \$50,000 or 50 percent of a project: 500,000

(3) For the competitive grants program for agricultural fair capital projects. No single entity shall be awarded more than ten percent of this appropriation: 180,000

(4) For the Vermont Sustainable Jobs Fund for the implementation phase of the food-to-waste-to-energy biodigester project at the Vermont Technical College campus in Randolph: 20,000

Total appropriation – Section 16 \$2,500,000

#### Sec. 17. VERMONT PUBLIC TELEVISION

The sum of \$500,000 is appropriated to Vermont Public Television as the state match for the federally mandated conversion of Vermont Public Television's transmission sites to digital broadcasting format.

Total appropriation – Section 17

\$500,000

Sec. 18. VERMONT INTERACTIVE TELEVISION

The sum of \$250,070 is appropriated to Vermont Interactive Television for video upgrades, codec upgrades, monitor replacement, or any combination thereof, at Vermont Interactive Television sites.

Total appropriation – Section 18

\$250,070

Sec. 19. VERMONT RURAL FIRE PROTECTION

The sum of \$100,000 is appropriated to the department of public safety, division of fire safety for the Vermont rural fire protection task force to continue the dry hydrant program.

Total appropriation – Section 19

\$100,000

Sec. 20. VERMONT VETERANS HOME

The sum of \$1,700,000 is appropriated to the department of buildings and general services for the Vermont Veterans Home for the final phase of geothermal HVAC renovations.

Total appropriation – Section 20 \$1,700,000

Sec. 21. VERMONT CENTER FOR CRIME VICTIM SERVICES

The sum of \$50,000 is appropriated to the Vermont Center for Crime Victim Services for Americans with Disabilities Act improvements at domestic violence shelters. The Vermont Center for Crime Victim Services shall file with the commissioner of buildings and general services an annual report, on or before December 1, 2008, which details the status of the improvements funded in whole or in part by state capital appropriations.

Total appropriation – Section 21 \$50,000

Sec. 22. TRANSPORTATION FUNDING; APPROPRIATIONS ACT

(a) The amount of \$5,200,000, less issuance costs, is appropriated to the agency of transportation program development appropriation 8100001100.

The secretary of transportation shall allocate the funds to approved capital projects in the fiscal year 2009 transportation program.

(b) It is the intent of the general assembly that future debt service for bonds authorized by this section shall be paid from the transportation fund.

Total appropriation – Section 22 \$5,200,000

\* \* \* Financing this Act \* \* \*

## Sec. 23. REALLOCATION OF FUNDS; TRANSFER OF FUNDS

The following sums are reallocated to the department of buildings and general services to defray expenditures authorized in Sec. 1 of this act, unless otherwise specified:

- (1) of the amount appropriated in Sec. 2(c) of No. 185 of the Acts of the 1995 Adj. Sess. (1996) (GOVnet for schools): 2,695.47
- (2) of the amount appropriated in Sec. 8(a)(6) of No. 62 of the Acts of 1997 (information technology): 14,440.22
- (3) of the amount appropriated by Sec. 2(d) of No. 62 of the Acts of 1995 (EWIMS): 11,500.50
- (4) of the amount appropriated by Sec. 2(b) of No. 62 of the Acts of 1995 (satellite video recording equipment): 4,211.50
- (5) of the amount appropriated by Sec. 2a(b)(1) of No. 62 of the Acts of 1995 (VALS to GOVnet conversion): 5,381.29
- (6) of the amount appropriated by Sec. 5(p) of No. 121 of the Acts of the 2003 Adj. Sess. (2004) (Vermont hydroelectric): 152,675.59
- (7) of the amount appropriated by Sec. 4(e) of No. 149 of the Acts of the 2001 Adj. Sess. (2002) (illumination plan for Bennington Battle Monument): 528.99
- (8) of the amount appropriated by Sec. 11(b) of No. 121 of the Acts of the 2003 Adj. Sess. (2004) (creation of Civil War monument): 1,296.61

- (9) of the amount appropriated by Sec. 3(f)(2) of No. 43 of the Acts of 2005 (fit-up of a VCI building at the southern state correctional facility):  
49,391.17
- (10) of the amount appropriated by Sec. 4 of No. 43 of the Acts of 2005 (Rutland courthouse renovations):  
39,249.25
- (11) of the amount appropriated by Sec. 20 of No. 43 of the Acts of 2005 (Vermont Veterans' Memorial Cemetery expansion design): 50,000.00
- (12) of the amount appropriated by Sec. 5(c) of No. 147 of the Acts of the 2005 Adj. Sess. (2006) (renovations to Bennington courthouse to enhance security and litigant services):  
198,844.00
- (13) of the amount appropriated by Sec. 12(d) of No. 147 of the Acts of the 2005 Adj. Sess. (2006) (public safety outpost at the Williston rest area):  
3,912.00
- (14) of the amount appropriated by Sec. 1(1) of No. 52 of the Acts of 2007 (design and construction of state archives at the triangle site in Montpelier) for the purpose of relocating the state archives to Middlesex pursuant to Sec. 1(12) of this act:  
1,695,547.50
- (15) of the amount appropriated by Sec. 16(a)(1) of No. 43 of the Acts of 2005 (historic preservation grants):  
394.41
- (16) of the amount appropriated by Sec. 16(a)(1) of No. 147 of the Acts of the 2005 Adj. Sess. (2006) (historic preservation grants):  
23,016.00

<u>(17) for the purpose of closing and renovating correctional facilities pursuant to Sec. 4(4) of this act:</u>	
<u>(A) of the amount appropriated by Sec. 3(c) of No. 43 of the Acts of 2005 (corrections work camp):</u>	<u>82,695.81</u>
<u>(B) of the amount appropriated by Sec. 4(c) of No. 147 of the Acts of the 2005 Adj. Sess. (2006) (corrections work camp):</u>	<u>676,167.00</u>
<u>(C) of the amount appropriated by Sec. 4(1) of No. 52 of the Acts of 2007 (corrections work camp site acquisition):</u>	<u>99,367.00</u>
<u>(18) of the amount appropriated by Sec. 5(b)(1) of No. 121 of the Acts of the 2003 Adj. Sess. (2004) (historic barn grants):</u>	<u>241.93</u>
<u>(19) of the amount appropriated by Sec. 16(a)(2) of No. 43 of the Acts of 2005 (historic barn grants):</u>	<u>9,728.70</u>
<u>(20) of the amount appropriated by Sec. 16(a)(2) of No. 147 of the Acts of the 2005 Adj. Sess. (2006) (historic barn grants):</u>	<u>30,748.00</u>
<u>(21) of the amount appropriated in Sec. 1(7) of No. 149 of the Acts of the 2001 Adj. Sess. (2002) (planning and design for addition to the state house):</u>	<u>380,514</u>
<u>(22) of the amount appropriated in Sec. 11(a) of No. 52 of the Acts of 2007 (water pollution control):</u>	<u>434,540</u>
<u>(23) of the amount appropriated in Sec. 15 (b)(2) of No. 148 of the Acts of the 1999 Adj. Sess. (2000) (Bennington sewer line):</u>	<u>19,787</u>

(24) of the amount appropriated in Sec. 8(A)(3) of No. 149 of the Acts of the 2001 Adj. Sess. (2002) (state-owned dams): 100,000

(25) of the amount appropriated in Sec. 5(e) of No. 147 of the Acts of the 2005 Adj. Sess. (2006) (Orange County courthouse): 49,711

Total reallocations and transfers – Section 22 \$4,136,585.18

#### Sec. 24. GENERAL OBLIGATION BONDS

(a) The state treasurer is authorized to issue general obligation bonds in the amount of \$54,650,000 for the purpose of funding the appropriations of this act. The state treasurer, with the approval of the governor, shall determine the appropriate form and maturity of the bonds authorized by this section consistent with the underlying nature of the appropriation to be funded. The state treasurer shall allocate the estimated cost of bond issuance or issuances to the entities to which funds are appropriated pursuant to this section and for which bonding is required as the source of funds, pursuant to 32 V.S.A. § 954.

(b) The treasurer is authorized to issue a further \$10,000,000 in general obligation bonds if approved pursuant to Section 27 of this act.

Total bonding – Section 24(a) \$54,650,000

\* \* \* Managing this Act \* \* \*

Sec. 25. 32 V.S.A. § 1001 is amended to read:

§ 1001. CAPITAL DEBT AFFORDABILITY ADVISORY COMMITTEE

(a) Committee established. A capital debt affordability advisory committee is hereby created with the duties and composition provided by this section.

(b) Committee duties.

(1) The committee shall review annually the size and affordability of the net state tax-supported general obligation debt tax-supported indebtedness, and submit to the governor and to the general assembly an estimate of the maximum amount of new long-term ~~general obligation~~ net state tax-supported debt that prudently may be authorized for the next fiscal year. The estimate of the committee shall be advisory and in no way bind the governor or the general assembly.

(2) The committee shall conduct ongoing reviews of the amount and condition of bonds, notes, and other obligations of instrumentalities of the state for which the state has a contingent or limited liability or for which the state legislature is permitted to replenish reserve funds, and, when deemed appropriate, recommend limits on the occurrence of such additional obligations to the governor and to the general assembly.

(c) Committee estimate of a prudent amount of ~~general obligation~~ net state tax-supported debt; affordability considerations. On or before September 30 of each year, the committee shall submit to the governor and the general assembly

the committee's estimate of ~~general obligation~~ net state tax supported debt which prudently may be authorized for the next fiscal year, together with a report explaining the basis for the estimate. In developing its annual estimate, and in preparing its annual report, the committee shall consider:

(1) The amount of ~~state general obligation bonds~~ net state tax-supported indebtedness that, during the next fiscal year, and annually for the following nine fiscal years:

- (A) will be outstanding; and
- (B) have been authorized but not yet issued.

(2) A projected schedule of affordable state ~~general obligation~~ net state tax-supported bond authorizations, for the next fiscal year and annually for the following nine fiscal years. The assessment of the affordability of the projected authorizations shall be based on all of the remaining considerations specified in this section.

(3) Projected debt service requirements during the next fiscal year, and annually for the following nine fiscal years, based upon:

- (A) existing outstanding debt;
- (B) previously authorized but unissued debt; and
- (C) projected bond authorizations.

(4) The criteria that recognized bond rating agencies use to judge the quality of issues of state bonds, including but not limited to:

(A) existing and projected total debt service on ~~general obligation net tax-supported~~ debt as a percentage of combined general and transportation fund revenues, excluding surpluses in these revenues which may occur in an individual fiscal year; and

(B) existing and projected total ~~general obligation net tax-supported~~ debt outstanding as a percentage of total state personal income.

(5) The principal amounts currently outstanding, and balances for the next fiscal year, and annually for the following nine fiscal years, of existing:

(A) obligations of instrumentalities of the state for which the state has a contingent or limited liability;

(B) any other long-term debt of instrumentalities of the state not secured by the full faith and credit of the state, or for which the state legislature is permitted to replenish reserve funds; and

(C) to the maximum extent obtainable, all long-term debt of municipal governments in Vermont which is secured by general tax or user fee revenues.

(6) The impact of capital spending upon the economic conditions and outlook for the state.

(7) The cost-benefit of various levels of debt financing, types of debt, and maturity schedules.

(8) Any projections of capital needs authorized or prepared by the agency of transportation, the joint fiscal office, or other agencies or departments.

(9) Any other factor that is relevant to:

(A) the ability of the state to meet its projected debt service requirements for the next five fiscal years; or

(B) the interest rate to be borne by, the credit rating on, or other factors affecting the marketability of state bonds.

~~(8)~~(10) The effect of authorizations of new state debt on each of the considerations of this section.

(d) Committee composition.

(1) Membership. Committee membership shall consist of:

(A) As ex officio members:

(i) the state treasurer;

(ii) the auditor of accounts;

(iii) the secretary of administration; and

(iv) ~~the secretary~~ a representative of the Vermont municipal bond bank chosen by the directors of the bank.

(B) ~~One individual not an official or employee~~ Two individuals with experience in accounting or finance, who are not officials or employees of state government appointed by the governor for a two-year term six-year terms.

(C) One person who is not an official or employee of state government with experience in accounting or finance appointed by the state treasurer for a six-year term.

(2) Chairperson. The state treasurer shall be the chairperson of the committee.

(e) Other attendants of committee meetings. Staff of the legislative council and the joint fiscal committee shall be invited to attend committee meetings for the purpose of fostering a mutual understanding between the executive and legislative branches on the appropriate statistics to be used in committee reviews, debt affordability considerations, and recommendations.

(f) Information. All public entities whose liabilities are to be considered by the committee, shall annually provide the state treasurer with the information the committee deems necessary for it to carry out the requirements of this subchapter.

Sec. 26. CAPITAL DEBT AFFORDABILITY ADVISORY COMMITTEE;

TRANSITIONAL PROVISIONS

Notwithstanding 32 V.S.A. § 1001(d)(1)(B) and (C), of the first two appointments made under subdivision (B) following passage of this act, one shall be for a term of two years and one shall be for a term of six years, and the first appointment made under subdivision (C) shall be for a term of four years.

Sec. 27. CLOSING THE GAP BETWEEN TRANSPORTATION NEEDS

AND AVAILABLE REVENUES FOR FISCAL YEAR 09

(a) The capital debt affordability advisory committee (CDAAC) shall, in addition to submitting its fiscal year 2010 recommendation, consider, in the context of the size and affordability of net state tax-supported indebtedness, additional transportation financing that could assist in closing the gap between transportation needs and available revenues in fiscal year 2009.

(b) By October 1, 2008, the CDAAC shall submit to the governor, the members of the joint fiscal committee and the chairs of the house and senate transportation committees, an estimate of the amount of additional long-term net tax supported debt, in addition to the \$54,650,000 in general obligation debt previously recommended for fiscal year 2009, for debt issuance to support the state's capital budget, that prudently may be authorized for transportation-related uses that could assist in closing the gap between transportation needs and available revenues. In addition to the fiscal year 2009 recommendation, the CDAAC shall make its recommendations for fiscal year 2010, as provided by 32 V.S.A. chapter 13, incorporating the considerations specified in this section. The general assembly authorizes for fiscal year 2009 the issuance of general obligation bonds for transportation up to \$10,000,000 in addition to the amount authorized in Sec. 24 of this act, to be dedicated to transportation, provided that the total amount issued does not exceed the CDAAC recommendation to be submitted by October 1, 2008. The following subdivisions shall apply to the bonds authorized by this section:

(1) The state treasurer, with the approval of the governor, shall determine the appropriate form and maturity of the bonds authorized by this section consistent with the underlying nature of the appropriation to be funded.

(2) The state treasurer shall allocate the estimated cost of bond issuance or issuances to the entities to which funds are appropriated pursuant to this section and for which bonding is required as the source of funds pursuant to 32 V.S.A. § 954.

(c) It is the intent of the general assembly that future debt service for bonds authorized by this section shall be paid from the transportation fund.

(d) Following adjournment of the 2008 session of the general assembly and before June 30, 2008, the agency of transportation shall present to a special committee, composed of the joint fiscal committee and the chairs of the house and senate transportation committees, an addendum to the fiscal year 2009 transportation budget equal to \$10,000,000 in state funds. The agency shall also present a reserve list of projects and programs, equal to the size of the budget addendum, which could be delayed until fiscal year 2010 as a contingent adjustment if the CDAAC recommends less than \$10,000,000 additional bonding for fiscal year 2009. In the event the CDAAC approves less than \$10,000,000 in additional bonding for fiscal year 2009, the agency shall manage the reserve list within available funds or postpone projects until fiscal year 2010. The budget addendum and reserve list shall be subject to approval of the special committee.

(e) There is appropriated in fiscal year 2009 to the agency of transportation the additional amount approved by CDAAC, up to \$10,000,000, to fund capital projects from the budget as approved by the special committee.

(f) With the approval of the secretary of administration, the secretary of transportation may transfer balances of appropriations from one department or unit of the agency of transportation to another department or unit of the agency of transportation for the specific purpose of funding transportation projects and programs in the budget addendum referred to in subsection (d) of this section. Expenditure of state funds under this section will be reimbursed by bond funds if and when the bond funds become available. Upon such reimbursement, the transferred funds shall be transferred back to the original department or unit of the agency of transportation from which the initial transfer was made. The secretary of transportation shall report any transfers made under this section to the joint transportation oversight committee, and copies of these reports shall be delivered to the joint fiscal office.

Sec. 28. USE OF BONDED FUNDS BY THE AGENCY OF NATURAL  
RESOURCES; JOINT FISCAL OFFICE; STUDY

(a) The office of finance and management and the joint fiscal office, with help from the agency of natural resources and the department of buildings and general services, shall study the processes the agency of natural resources uses for determining:

(1) when to request general obligation funds from the general assembly for projects to be funded from the pollution control and clean water state revolving fund and the drinking water state revolving fund; and

(2) when the funds are paid to the recipient.

(b) On or before January 15, 2009, the two offices shall report to the senate committee on institutions and the house committee on corrections and institutions on its recommendations for revising the processes so that bonded funds are used as efficiently as possible.

Sec. 29. AUTHORITY TO TRANSFER FUNDS

The secretary of natural resources, with the approval of the secretary of administration, may transfer any unexpended project balances among projects authorized in Sec. 12 of this act.

Sec. 30. ACCEPTANCE OF GRANTS AND OTHER FUNDS

(a) Notwithstanding section 5 of Title 32 (acceptance of grants):

(1) The commissioner of environmental conservation, with the approval of the secretary of natural resources, may accept federal grants made available

through the federal Clean Water Act and the federal Drinking Water Act in accordance with chapter 120 of Title 24. Acceptance of this grant money is hereby approved, provided all notifications are made under subsection 4760(a) of Title 24.

(2) The commissioner of corrections, with the approval of the secretary of human services, may accept federal grants made available through federal crime bill legislation.

(3) The commissioner of buildings and general services may accept grants of funds, equipment, and services from any source, including federal appropriations, for the installation, operation, implementation, or maintenance of energy conservation measures or improvements at state buildings.

(4) The commissioner of buildings and general services may accept federal grant funds in connection with the state health and forensic laboratories. These funds may be used to defray or supplement costs in Sec. 3 of this act.

(5) The commissioner of buildings and general services may accept federal grant funds from the department of public safety for the purpose of purchasing, designing, and retrofitting a new emergency management facility and emergency operations center. No state funds shall be appropriated to this project from general obligation bonds issued for capital construction under this act or any prior capital construction act.

(b) Each receipt of a grant or gift authorized by this section shall be reported by the commissioner of the department receiving the funds to the chairs of the senate committee on institutions and the house committee on corrections and institutions and to the joint fiscal committee.

\* \* \* Buildings and General Services \* \* \*

Sec. 31. PROJECTS FUNDED IN PRIOR YEARS; BENNINGTON STATE  
OFFICE BUILDING; BUILDING #617 IN ESSEX

(a) The commissioner of buildings and general services is authorized to use funds appropriated under this act for capital projects requiring additional support that were funded with capital or general appropriations made in prior years.

(b) The commissioner of buildings and general services is authorized to spend up to \$250,000 from funds appropriated for the Bennington state office building in Sec. 1(14) of No. 52 of the Acts of 2007 for the purpose of developing a comprehensive proposal to meet state office building needs while supporting the downtown redevelopment initiative in the town of Bennington. In developing the proposal, the commissioner may hire one or more consultants to evaluate existing and potential state office space in Bennington, and shall consult with the Bennington downtown task force created by Sec. 4 of No. 53 of the Acts of 2007 to explore and evaluate opportunities. Any recommended proposal shall limit the state's capital appropriation for the project to up to a total of \$10 million, and the commissioner shall explore all

potential funding opportunities for the proposal. On or before January 15, 2009, the commissioner of buildings and general services shall submit a report to the senate committee on institutions and the house committee on corrections and institutions on behalf of the department of buildings and general services and the Bennington downtown task force regarding a plan for Bennington state offices and for the Bennington district and family courts. The proposal may include any of the following:

(1) Selling the current state office building and land, and relocating state programs, services, and staff to another site.

(2) Redeveloping one or more state buildings. Redevelopment may include any of the following for all or portions of the building or buildings: renovations, razing, leasing, entering into condominium agreements, entering into partnership agreements, and location of state programs, services, and staff.

(3) Purchase or lease of a building or buildings or a portion of a building or buildings in the town of Bennington for relocation of state programs, services, and staff.

(4) Purchase of land and construction of a building in the town of Bennington, with priority consideration given to the designated downtown development district; location of state programs, services, and staff in the downtown building; and potential use of a portion of the building by nonstate workers through a lease, condominium agreement, or partnership agreement.

(c) In order to expedite the placement of the state public safety laboratories, the commissioner of buildings and general services is authorized to pursue options for location of the laboratories other than the Building #617 location, including sites in Washington County. After consultation with the chairs and vice chairs of the senate committee on institutions and the house committee on corrections and institutions, and with the state treasurer if the proposal includes an operating lease or agreement pursuant to subdivision (3) of this subsection, and upon approval from the secretary of administration and the joint fiscal committee, the commissioner of buildings and general services may undertake any of the following:

(1) Enter into one or more development agreements that would expedite the design, development, construction, and occupancy of the state public safety laboratories.

(2) Reallocate any unencumbered prior capital appropriations for the development and construction of the health and forensic laboratories to the state's contribution or costs related to the plan for expedited placement.

(3) Enter into operating leases or agreements, including condominium agreements, or other agreements such as lease-purchase, lease-lease back, sell-lease back, land lease, or any combination thereof to expedite the placement of the laboratories.

(d) Current construction plans and funding for the health and public safety laboratories at Building #617 in Essex referenced in Sec. 3 of this act require

phased construction, which could potentially increase the overall cost of this project. It is therefore deemed to be in the state's best interest to expedite construction, and it is the intent of the general assembly to approve the exploration by the commissioner of buildings and general services of various development options that would expedite the construction process. Therefore, after the commissioner has explored and acted on viable options for the location of the state public safety laboratories under subsection (c) of this section, notwithstanding sections 161, 165, and 166 of Title 29, the commissioner is authorized to explore, develop, and negotiate with the current property manager all development options available regarding the land and property related to Building #617. After consultation with the chairs and vice chairs of the senate committee on institutions and the house committee on corrections and institutions, and with the state treasurer if the proposal includes an operating lease or agreement pursuant to subdivision (4) of this subsection, and upon approval from the secretary of administration and the joint fiscal committee, the commissioner of buildings and general services may undertake any of the following:

(1) Enter into one or more development agreements that would expedite the design, development, construction, and occupancy of the proposed health and forensic laboratories.

(2) Sell the state's property or any portion thereof located at 30 and 42 Allen Martin Drive in Essex. The commissioner's authority to sell includes the

discretion to apply the proceeds from the sale to the state's contribution or costs related to the development plan for the health and forensic laboratories.

(3) Reallocate any unencumbered prior capital appropriations for the development and construction of the health and forensic laboratories to the state's contribution or costs related to the plan for expedited construction.

(4) Enter into operating leases or agreements, including condominium agreements, or other agreements such as lease-purchase, lease-lease back, sell-lease back, land lease, or any combination thereof to expedite the construction of Building #617 in Essex.

(e) The commissioner of buildings and general services is authorized to spend any funds remaining from the \$50,000 appropriated in Sec. 13(b) of No. 52 of the Acts of 2007 for the purpose of negotiating a purchase price and purchasing an option to buy land in Westminster for a new public safety field station to serve southeastern Vermont. Any option shall be purchased pursuant to 29 V.S.A. § 152(a)(3)(B). The commissioner may also use these funds to begin the process of obtaining the necessary permits to build the field station.

#### Sec. 32. PROPERTY TRANSACTIONS; MISCELLANEOUS

(a) Notwithstanding 29 V.S.A. § 166(b), the commissioner of buildings and general services, with the approval of the secretary of administration, is authorized to sell or lease 900 square feet of state-owned land at the Newport state office building in the town of Newport. After payment of any costs and fees associated with the transaction, proceeds from a sale shall be deposited

into a capital fund pursuant to 29 V.S.A. § 166(d), and proceeds from a lease shall be deposited into a property management fund pursuant to 29 V.S.A. § 160.

(b) Notwithstanding 29 V.S.A. § 166(b), the commissioner of buildings and general services, with the approval of the secretary of administration, is authorized to subdivide and sell, at fair market value based on an appraisal paid for by the prospective purchaser, a section of state-owned property located on Railroad Row in the town of Hartford. After payment of any costs and fees associated with the sale, proceeds shall be deposited into a capital fund pursuant to 29 V.S.A. § 166(d).

(c) Notwithstanding 29 V.S.A. § 166(b), the commissioner of buildings and general services is authorized to subdivide and sell, as described in this subsection, the real property commonly referred to as the “Former Tree Farm Property” and associated buildings located in the town and village of Essex. The property is located on the east side of Old Colchester Road, the northerly part of the property being located in the town of Essex and the southerly part of the property being located in the village of Essex Junction. Proceeds from the sale or sales, net of all related development, permitting, relocation, and sale costs, shall be deposited into a capital fund pursuant to 29 V.S.A. § 166(d).

The commissioner may:

(1) Negotiate and enter into a sales agreement with the town of Essex, the village of Essex Junction, the Tree Farm Management Group, Inc., or any

combination thereof for the sale of the parcel currently subject to a lease agreement between the state of Vermont, the town of Essex, and the village of Essex Junction; provided that the terms of the sale include a covenant restricting use of the land to educational, agricultural, and recreational uses and prohibiting development for housing, commercial, or industrial use.

(2) Sell the wooded portion of the land on the eastern side, provided that the terms of the sale include a covenant restricting use of the land to educational, agricultural, and recreational uses and prohibiting development for housing, commercial, or industrial use.

(3) Sell the small parcel in the western corner which contains the barn at fair market value. However, the commissioner shall first give the town of Essex a right of first refusal on this portion of the land.

(d) Pursuant to 29 V.S.A. § 166, the commissioner of buildings and general services, with the approval of the secretary of administration, and following a report to the joint fiscal committee on the implications for operating and fee-for-space costs to the department of motor vehicles, shall sell, lease, subdivide, convert into condominiums, or any combination thereof, the Thayer School building located at 1193 North Avenue in Burlington. After payment of any costs and fees associated with the transaction, proceeds from a sale shall be deposited into a capital fund pursuant to 29 V.S.A. § 166(d), and proceeds from a lease shall be deposited into a property management fund pursuant to 29 V.S.A. § 160.

(e) Notwithstanding 29 V.S.A. § 166(b), the commissioner of buildings and general services may sell or lease land, mineral rights, or both, as follows:

(1) the land and mineral rights are those located at the Robert H. Wood, Jr. Criminal Justice and Fire Service Training Council in Pittsford that adjoin land currently operated by Casella Property Management for purposes of gravel excavation and sale;

(2) the transaction is limited to no more than three acres of land or mineral rights;

(3) the term of a lease is limited to no more than 10 years;

(4) the sale or lease price shall be based upon the fair market value of the source mineral rights; and

(5) after payment of any costs and fees associated with the transaction, proceeds from a sale shall be deposited into a capital fund pursuant to 29 V.S.A. § 166(d), and proceeds from a lease shall be deposited into a property management fund pursuant to 29 V.S.A. § 160.

(f) In Sec. 2(a)(7) of No. 62 of the Acts of 2001, the general assembly authorized the commissioner of buildings and general services to renovate or purchase a building within the greater capital area for conversion to a child care center. The commissioner purchased a building in Middlesex and entered into a lease with North American Playcare, Inc. (Playcare) to operate a child care center. The general assembly finds the current arrangement with Playcare to be not in the best interests of the state and hereby directs the commissioner

to renegotiate a lease with Playcare which will preserve the infant care program within the greater capital area while phasing out the inequities in the current lease agreement.

Sec. 33. LOCATION OF STATE OFFICES

(a) Sec. 2(a)(5) of No. 61 of the Acts of 2001 and Sec. 28 of No. 149 of the Acts of the 2001 Adj. Sess. (2002), relating to occupancy of 133 State Street in Montpelier by the secretary of state, are repealed.

(b) 18 V.S.A. § 3(b), relating to the location in Chittenden County of the executive and administrative offices of the department of health, is repealed.

Sec. 34. 3 V.S.A. § 260(b) is amended to read:

(b) The principal office of each administrative department shall be located at such location as the secretary of the agency of administration determines with the approval of the governor, except that the principal office of ~~the health department shall be in Burlington,~~ and the military department shall be at Camp Johnson.

Sec. 35. 29 V.S.A. § 152(a)(31) and (32) are added to read:

(31) Receive payments from vendors through the real-time demand response program (DRP). The commissioner may contract with third-party brokers or directly with Independent System Operators to generate or to reduce electrical demand or both for state-owned facilities in return for payments to the state which shall be retained by the facilities operations revolving fund established in section 160a of this title.

(32) Accept funds and other contributions for state house renovations and restorations; educational, interpretive, and curatorial projects; and acquisition of historic furnishings, fixtures, and works of art for projects that pertain to the state house.

Sec. 36. 32 V.S.A. § 701a(c) is added to read:

(c) The sums appropriated and spending authority authorized by a capital construction act shall be continuing and shall not revert at the end of the fiscal year.

Sec. 37. EVIDENCE ROOM; STUDY

The commissioner of buildings and general services shall consult with the chair of the preservation of evidence committee created by Sec. 2 of No. 60 of the Acts of 2007 to determine options for construction of an evidence room for the retention of evidence collected in criminal cases. The commissioner shall recommend a place for the location of an evidence room to the senate committee on institutions and the house committee on corrections and institutions on or before January 15, 2009.

\* \* \* Health and Public Safety Laboratory \* \* \*

Sec. 38. VERMONT STATE HOSPITAL; CERTIFICATE OF NEED  
APPLICATIONS

(a) At least 30 days prior to filing a CON application relating to the Vermont state hospital, the commissioner of mental health shall submit a complete summary of the application to the chairs and vice chairs of the senate committees on institutions, and on health and welfare, and the house committees on corrections and institutions, and on human services. The application may be submitted to the department of banking, insurance, securities, and health care administration after consulting with the chairs and vice chairs of the committees.

(b) At the time of or before the filing a CON application relating to the Vermont state hospital, the commissioner of mental health shall submit a copy of the application to the joint fiscal committee and mental health oversight committee.

(c) When the commissioner of mental health submits any planning updates relating to the Vermont state hospital, as required by the CON, he or she shall also submit the documents to all members of the senate committee on institutions, senate committee on health and welfare, house committee on corrections and institutions, and house committee on human services.

\* \* \* Judiciary \* \* \*

Sec. 39. INVENTORY OF COUNTY COURTHOUSES

(a) It is the intent of the general assembly to establish a consistent formula for use of a county courthouse by the supreme court, district court, family court, and judicial bureau. In keeping with this intent, the commissioner of buildings and general services and the court administrator shall conduct an inventory of all county courthouses in the state and report to the senate committee on institutions and the house committees on corrections and institutions on or before January 15, 2009 on the following:

(1) ownership of each county courthouse;

(2) the number of state courts occupying space in county courthouses and county courts occupying space in state courthouses;

(3) existing financial and other agreements between the court administrator and the assistant judges for use of a county courthouse by a state court or use of a state courthouse by a county court; and

(4) a recommendation for a fee-for-space formula for use of a county courthouse by a state court or use of a state courthouse by a county court.

(b) It is the intent of the general assembly to continue with the use and operation of each existing county courthouse currently in use.

\* \* \* Building Communities Grants \* \* \*

Sec. 40. REPEAL

The following are repealed:

(1) Sec. 35 of No. 43 of the Acts of 2005, relating to a broadband development competitive grant program.

(2) Sec. 34 of No. 43 of the Acts of 2005, relating to a recreational and educational facilities grant program.

(3) Sec. 36 of No. 43 of the Acts of 2005, relating to a human services competitive grant program.

Sec. 41. 24 V.S.A. chapter 137 is added to read:

CHAPTER 137. BUILDING COMMUNITIES GRANTS

§ 5601. BUILDING COMMUNITIES GRANTS

(a) The purpose of this chapter is to establish grants to help communities preserve important historic buildings and enhance community facilities.

Therefore, in order to make it easy for communities to apply, the board or department which administers a grant program under this chapter shall work with other administrators of building communities grants to develop a standard application form which:

(1) describes the application process and includes clear instructions and examples to help applicants complete the form;

(2) includes an opportunity for a community to demonstrate its ability to generate required matching funds from local fundraising or other efforts;

(3) includes a summary of each of the other grants, their deadlines, and a statement that no community shall apply for more than one grant under this chapter for the same project in the same calendar year; and

(4) may include supplements specific to an individual grant.

(b) Each board or department which administers a grants program under this chapter shall establish a selection process which ensures equitable selection of grant recipients; and ensures accountability by grant recipients.

(c) Before it notifies an applicant of an award under this chapter, the board or department which administers the grant shall provide notice of the award and time and location of any award presentation to the chairs of the senate committee on institutions and the house committee on corrections and institutions, and those members of the general assembly who represent the area in which a successful applicant resides.

#### § 5602. HISTORIC PRESERVATION GRANT PROGRAM

There is established an historic preservation grant program which shall be administered by the division for historic preservation in the agency of commerce and community development. Grants shall be made available to municipalities and nonprofit tax-exempt organizations on a one-for-one matching basis for restoring buildings and structures.

#### § 5603. HISTORIC BARNS PRESERVATION GRANT PROGRAM

There is established an historic barns preservation grant program which shall be administered by the division for historic preservation in the agency of commerce and community development. Grants shall be made available to municipalities and nonprofit tax-exempt organizations on a one-for-one matching basis for restoring historic barns.

§ 5604. CULTURAL FACILITIES GRANT PROGRAM

(a) There is established a cultural facilities competitive grant program to be administered by the Vermont arts council and made available on a one-for-one matching basis with funds raised from nonstate sources. No portion of a grant shall be used to pay salaries.

(b) Grants shall be awarded on a competitive basis. In recommending grant awards, a review panel shall give priority consideration to applicants who demonstrate greater financial need or are in underserved areas of the state.

§ 5605. RECREATIONAL FACILITIES GRANT PROGRAM

(a) Creation of program. There is created a recreational facilities grant program to be the successor to and a continuation of the recreational and educational facilities grant program established in Sec. 34 of No. 43 of the Acts of 2005 to provide competitive grants to municipalities as defined in chapter 117 of Title 24 and to nonprofit organizations for capital costs associated with the development and creation of community recreational opportunities in Vermont communities. The program is authorized to award matching grants of up to \$25,000 per project, provided that grant funds shall be awarded only when evidence is presented by a successful applicant that three dollars have been raised from nonstate sources for every one dollar awarded under this program.

(b) Creation of committee. There is established a recreational facilities grant advisory committee to coordinate and administer the recreational facilities grant program. The committee shall include the commissioners of forests, parks and recreation and of buildings and general services or the commissioners' designees; a representative of the Vermont recreation and parks association; two members of the Vermont general assembly, one appointed by the speaker of the house of representatives and one appointed by the senate committee on committees; a representative of the Vermont trails and greenways council; and one citizen member to be appointed by the governor.

The members of the committee shall select a chair. The citizen member shall serve for a term of two years or until his or her successor is appointed.

(c) The department of buildings and general services shall provide administrative support to the program.

#### § 5606. HUMAN SERVICES AND EDUCATIONAL FACILITIES

##### COMPETITIVE GRANT PROGRAM

(a) Creation of program. There is created a human services and educational facilities grant program to be the successor to and a continuation of the human services competitive grant program established in Sec. 36 of No. 43 of the Acts of 2005 to provide competitive grants to municipalities as defined in chapter 117 of this title and to nonprofit organizations for capital costs associated with the major maintenance, renovation, or development of facilities for the delivery of human services and health care or for the development of educational opportunities in Vermont communities. The program is authorized to award matching grants of up to \$25,000.00 per project, provided that grant funds shall be awarded only when evidence is presented by a successful applicant that at least three dollars have been raised from nonstate sources for every dollar awarded under this program.

(b) Creation of committee. There is established a human services and educational facilities grant advisory committee to administer and coordinate the human services and educational facilities grant program. The committee shall include the secretary of human services or the secretary's designee; the

commissioner of buildings and general services or the commissioner's designee; two members of the Vermont general assembly, one appointed by the speaker of the house of representatives and one appointed by the senate committee on committees; and three representatives of broad-based community organizations, such as the United Way of Vermont, who shall be selected and appointed by the governor. The members of the committee shall select a chair. The members appointed by the governor shall serve for terms of two years or until their successors are appointed.

(c) The department of buildings and general services shall provide administrative support to the program.

Sec. 42. REPEAL

Sec. 3 of No. 79 of the Acts of 2007, relating to a broadband development grant program, is repealed on June 30, 2009.

\* \* \* Education \* \* \*

Sec. 43. 16 V.S.A. § 3448(a)(5)(B) is amended to read:

(5) Final approval for construction aid.

\* \* \*

(B) The state board may approve a final application for a project provided that:

\* \* \*

(v) the project has otherwise met the requirements of sections 3447–3456 of this title; ~~and~~

(vi) if the proposed project includes a playground, the project includes a requirement that the design and construction of playground equipment follow the guidelines set forth in the United States Consumer Product Safety Commission Handbook for Public Playground Safety; and

(vii) if the total estimated cost of the proposed project is less than \$50,000.00, no performance bond or irrevocable letter of credit shall be required.

Sec. 44. Sec. 63 of No. 149 of the Acts of the 2001 Adj. Sess. (2002) as amended by Sec. 53 of No. 121 of the 2003 Adj. Sess. (2004) and Sec. 50 of No. 147 of the Acts of the 2005 Adj. Sess. (2006) is further amended to read:

Sec. 63. TRANSITIONAL PROVISIONS; CONSTRUCTION AID FOR  
TECHNICAL CENTERS

\* \* \*

(c) Notwithstanding any other provision of law, no disbursement of state aid shall be made pursuant to this section until the department of buildings and general services approves the design, construction, and purchase of any new buildings or alterations of existing buildings together with all associated expenditures. ~~All state construction aid for these projects shall be appropriated to the department of buildings and general services for this purpose.~~

Sec. 45. CONTINUATION OF SUSPENSION OF STATE AID FOR  
SCHOOL CONSTRUCTION

(a) In Sec. 36 of No. 52 of the Acts of 2007, the general assembly suspended state aid for school construction in order to provide time to enable the commissioner of education and the commissioner of finance and management to make recommendations for a sustainable plan for state aid to school construction. In the absence of a viable plan for funding school construction, the general assembly hereby extends the period of suspension until a plan is developed and adopted.

(b) Notwithstanding subsection (a) of Sec. 36 of No. 52 of the Acts of 2007, if a school district declares its intent to pay for the cost of a school construction project without state aid provided pursuant to chapter 123 of Title 16 and has received voter approval for the project on or after March 7, 2007, then the commissioner of education shall review the project as a preliminary application upon the district's request. In this case, the commissioner shall use the standards and processes of chapter 123 for determining preliminary approval, and shall deduct the portion of education spending that is approved from the calculation of excess spending under 32 V.S.A. § 5401(12). Preliminary approval received pursuant to this subsection is to be used solely for purposes of calculating whether the district has exceeded the excess spending threshold and neither preliminary approval nor the provision of technical assistance indicates that the district will receive state aid for school construction or preliminary approval for that aid when school construction aid is again available. Notwithstanding subsection (a) of Sec. 36 of No. 52 of the

Acts of 2007, upon the request of the district, the department shall provide technical assistance regarding the planning and implementation of school renovation and construction.

(c) No year during which state aid for school construction is suspended shall be included within the department's determination under 24 V.S.A. § 2804(b) of whether amounts deposited in a reserve fund have been used within five years of deposit.

Sec. 46. BIOMASS PROJECT; RICHFORD

In addition to school construction aid to which it is entitled for its biomass project pursuant to 16 V.S.A. § 3448(a)(7)(B), the commissioner of education shall reimburse the Richford Town School District an additional \$35,000 when funds for the project are available.

\* \* \* University of Vermont \* \* \*

Sec. 47. 16 V.S.A. § 2363 is added to read:

§ 2363. RESERVE FUNDS

(a) The University of Vermont and State Agricultural College may create and establish one or more special funds, herein referred to as "debt service reserve funds," and shall pay into each such debt service reserve fund:

(1) any moneys appropriated and made available by the state for the purpose of such fund;

(2) any proceeds of the sale of notes or bonds, to the extent provided in the resolution or resolutions of the University of Vermont and State Agricultural College authorizing the issuance thereof; and

(3) any other moneys that may be made available to the University of Vermont and State Agricultural College for the purpose of such fund from any other source or sources.

(b) All moneys held in any debt service reserve fund, except as hereinafter provided, shall be used, as required, solely for the payment of the principal or the purchase or redemption price of or interest or redemption premium on bonds or notes secured in whole or in part by such fund or of sinking fund payments with respect to the bonds or notes; provided, however, that moneys in any fund shall not be withdrawn therefrom at any time in such amount as would reduce the amount of the fund to less than the debt service reserve requirement established by resolution of the University of Vermont and State Agricultural College for the fund as hereafter provided except for the purpose of making payments, when due, of principal, interest, redemption premiums, and sinking fund payments with respect to bonds and notes secured in whole or in part by the fund for the payment of which other moneys of the University of Vermont and State Agricultural College are not available. Any income or interest earned by any debt service reserve fund may be transferred to other funds or accounts of the University of Vermont and State Agricultural College

to the extent that it does not reduce the amount of the fund below the requirement for such fund.

(c) The University of Vermont and State Agricultural College shall not at any time issue bonds or notes secured in whole or in part by a debt service reserve fund if upon the issuance of the bonds or notes the amount in the debt service reserve fund will be less than the debt service reserve requirement established by resolution of the University of Vermont and State Agricultural College for the fund, unless the University of Vermont and State Agricultural College at the time of issuance of the bonds or notes shall deposit in the fund from the proceeds of the bonds or notes so to be issued, or from other sources, an amount that, together with the amount then in the fund, will not be less than the debt service reserve requirement established for the fund. The debt service reserve requirement for any debt service reserve fund shall be established by resolution of the University of Vermont and State Agricultural College prior to the issuance of any bonds or notes secured in whole or in part by such fund and shall not be required to exceed “maximum debt service,” which shall mean, as of any particular date of computation, an amount equal to the greatest of the respective amounts, for the then-current or any future fiscal year of the University of Vermont and State Agricultural College, of annual debt service on the bonds and notes of the University of Vermont and State Agricultural College secured or to be secured in whole or in part by the debt service reserve fund.

(d) In the computation of the amount of the debt service reserve funds for the purpose of this section, securities in which any of the funds shall be invested shall be valued at par if purchased at par or at amortized value, as the term is defined by resolution of the University of Vermont and State Agricultural College, if purchased at other than par.

(e) In order to assure the maintenance of the debt service reserve requirement in each debt service reserve fund established by the University of Vermont and State Agricultural College, there may be appropriated annually and paid to the University of Vermont and State Agricultural College for deposit in each fund the sum as shall be certified by the chair of the board of trustees of the University of Vermont and State Agricultural College to the governor, the president of the senate, and the speaker of the house as is necessary to restore each debt service reserve fund to an amount equal to the debt service reserve requirement for the fund. The chair shall annually, on or about February 1, make and deliver to the governor, the president of the senate, and the speaker of the house his or her certificate stating the sum required to restore each debt service reserve fund to the amount aforesaid, and the sum so certified may be appropriated, and if appropriated, shall be paid to the University of Vermont and State Agricultural College during the then-current state fiscal year. The principal amount of bonds or notes outstanding at any one time and secured in whole or in part by a debt service reserve fund to which state funds may be appropriated pursuant to this subsection shall not

exceed \$66,000,000.00, provided that the foregoing shall not impair the obligation of any contract or contracts entered into by the University of Vermont and State Agricultural College in contravention of the Constitution of the United States of America.

(f) The proceeds of any bonds or notes secured by a debt service reserve fund to which state funds may be appropriated pursuant to this section shall be applied solely to costs of reconstruction, rehabilitation, or improvement of existing facilities or property of the University of Vermont and State Agricultural College.

\* \* \* Vermont State Colleges \* \* \*

Sec. 48. 16 V.S.A. § 2186 is added to read:

§ 2186. RESERVE FUNDS

(a) The Vermont State Colleges may create and establish one or more special funds, herein referred to as “debt service reserve funds,” and shall pay into each debt service reserve fund:

(1) any moneys appropriated and made available by the state for the purpose of the fund;

(2) any proceeds of the sale of notes or bonds, to the extent provided in the resolution or resolutions of the Vermont State Colleges authorizing the issuance thereof; and

(3) any other moneys that may be made available to the Vermont State Colleges for the purpose of the fund from any other source or sources.

(b) All moneys held in any debt service reserve fund, except as hereinafter provided, shall be used, as required, solely for the payment of the principal or purchase or redemption price of or interest or redemption premium on bonds or notes secured in whole or in part by the fund or of sinking fund payments with respect to the bonds or notes; provided, however, that moneys in any fund shall not be withdrawn therefrom at any time in an amount as would reduce the amount of the fund to less than the debt service reserve requirement established by resolution of the Vermont State Colleges for the fund as hereafter provided except for the purpose of making payments, when due, of principal, interest, redemption premiums, and sinking fund payments with respect to bonds and notes secured in whole or in part by the fund for the payment of which other moneys of the Vermont State Colleges are not available. Any income or interest earned by any debt service reserve fund may be transferred to other funds or accounts of the Vermont State Colleges to the extent that it does not reduce the amount of the fund below the requirement for the fund.

(c) The Vermont State Colleges shall not at any time issue bonds or notes secured in whole or in part by a debt service reserve fund if upon the issuance of the bonds or notes the amount in the debt service reserve fund will be less than the debt service reserve requirement established by resolution of the Vermont State Colleges for the fund, unless the Vermont State Colleges at the time of issuance of the bonds or notes shall deposit in the fund from the

proceeds of the bonds or notes so to be issued, or from other sources, an amount that, together with the amount then in the fund, will not be less than the debt service reserve requirement established for the fund. The debt service reserve requirement for any debt service reserve fund shall be established by resolution of the Vermont State Colleges prior to the issuance of any bonds or notes secured in whole or in part by the fund and shall not be required to exceed “maximum debt service,” which shall mean, as of any particular date of computation, an amount equal to the greatest of the respective amounts, for the then current or any future fiscal year of the Vermont State Colleges, of annual debt service on the bonds and notes of the Vermont State Colleges secured or to be secured in whole or in part by the debt service reserve fund.

(d) In the computation of the amount of the debt service reserve funds for the purpose of this section, securities in which any of the funds shall be invested shall be valued at par if purchased at par or at amortized value, as the term is defined by resolution of the Vermont State Colleges, if purchased at other than par.

(e) In order to assure the maintenance of the debt service reserve requirement in each debt service reserve fund established by the Vermont State Colleges, there may be appropriated annually and paid to the Vermont State Colleges for deposit in each fund the sum as shall be certified by the chair of the board of trustees of the Vermont State Colleges to the governor, the president of the senate, and the speaker of the house as is necessary to restore

each such debt service reserve fund to an amount equal to the debt service reserve requirement for the fund. The chair shall annually, on or about February 1, make and deliver to the governor, the president of the senate, and the speaker of the house his or her certificate stating the sum required to restore each debt service reserve fund to the amount aforesaid, and the sum so certified may be appropriated, and if appropriated, shall be paid to the Vermont State Colleges during the then-current state fiscal year. The principal amount of bonds or notes outstanding at any one time and secured in whole or in part by a debt service reserve fund to which state funds may be appropriated pursuant to this subsection shall not exceed \$34,000,000.00, provided that the foregoing shall not impair the obligation of any contract or contracts entered into by the Vermont State Colleges in contravention of the Constitution of the United States of America.

(f) The proceeds of any bonds or notes secured by a debt service reserve fund to which state funds may be appropriated pursuant to this section shall be applied solely to costs of reconstruction, rehabilitation, or improvement of existing facilities or property of the Vermont State Colleges.

\* \* \* Natural Resources \* \* \*

#### Sec. 49. FEDERAL ENVIRONMENTAL QUALITY INCENTIVES

##### PROGRAM; MATCHING FUNDS; REALLOCATION

(a) Currently more than \$20,000,000 in Federal Environmental Quality Incentives Program (EQIP) pollution reduction funds are available to Vermont

farmers to reduce manure runoff into rivers and streams. This funding is available if the state can provide \$750,000 in state assistance for this purpose.

Therefore, the following funds shall be used to provide the state share:

(1) \$125,000 from funds for stream stabilization grants appropriated under Sec. 11(c)(2) of No. 52 of the Acts of 2007.

(2) \$75,000 from funds for best management practices appropriated under Sec. 15(a) of No. 52 of the Acts of 2007.

(3) \$200,000 from funds for ecosystem restoration and protection appropriated under Sec. 12(c)(1) of this act.

(4) \$250,000 from funds for best management practices appropriated under Sec. 16(1) of this act.

(b) It is the intent of the general assembly to appropriate the remaining \$100,000 of required state matching funds in the appropriations act of 2008 for fiscal year 2009.

Sec. 50. MUNICIPAL WASTEWATER TREATMENT PLANTS;

#### CONSULTATION

On or before October 1, 2008, the secretary of natural resources shall meet with representatives of any municipality that wishes to evaluate treatment options for the upgrade of its wastewater treatment plant. As part of the evaluation, the agency of natural resources shall consider alternative options for upgrade of the existing wastewater treatment plant, including tertiary filter options. The evaluation of alternative options shall include an analysis of the

environmental and operational issues and full, life-cycle costs of proposed improvements to the wastewater treatment plant for the purpose of phosphorous removal. On or before January 15, 2009, the secretary of natural resources shall report to the house and senate committees on natural resources and energy, the house committee on corrections and institutions, and the senate committee on institutions with a summary of the consultations required by this section and a summary of the proposed treatment options for the evaluated wastewater treatment plants.

\* \* \* Military \* \* \*

Sec. 51. 20 V.S.A. § 542 is amended to read:

§ 542. ACQUISITION, MAINTENANCE AND DISPOSAL OF PROPERTY  
FOR THE NATIONAL GUARD USE

In the name of the state, the board shall be responsible for the real estate and personal property of the national guard. The board may acquire or purchase, and maintain and dispose of by sale or otherwise real estate and personal property. Upon determination by the board that real estate is to be disposed of, the disposal shall be at fair market value, and proceeds shall be allocated to future capital appropriations.

\* \* \* Effective Date \* \* \*

Sec. 52. EFFECTIVE DATE

This act shall take effect on passage.

Approved: June 9, 2008