



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: Joint Fiscal Committee members
From: Daniel Dickerson, Fiscal Analyst *DWD*
Date: September 26, 2018
Subject: Position and Grant Requests – JFO #2927 - #2928

Enclosed please find two (2) items, which the Joint Fiscal Office has received from the administration.

JFO #2927 – \$15,000 performing arts readiness grant from LYRASIS to the VT Secretary of State. The funds will be used to develop a Performing Arts Readiness network in Vermont. This will involve the hiring of a facilitator to bring together leaders from various arts organizations to develop policies and procedures for the network. The ultimate goal of this work would be to avoid losses of historical records in the event of an emergency. This is one-time funding meant to kick-start an initiative that would be funded by arts organizations without the need for ongoing state funds.

[JFO received 9/21/18]

JFO #2928 – \$450,000 from the U.S. Dept. of Labor to the VT Secretary of State. These funds will be used to augment a planned analysis of licensing criteria for certain career fields that fall within the oversight of the Office of Professional Regulation. Professions that will be examined during this project include, but are not limited to, barbers, cosmetologists, security guards, pharmacy technicians, registered nurses, funeral directors and real estate brokers. The project will take approximately three years and the federal dollars will be allocated at \$150,000 per year. The Office had previously budgeted state dollars for the entire scope of this project so the federal dollars will offset some of the state costs over the three year period.

[JFO received 9/21/18]

Please review the enclosed materials and notify the Joint Fiscal Office (Daniel Dickerson at (802) 828-2472; ddickerson@leg.state.vt.us) if you have questions or would like an item held for legislative review. Unless we hear from you to the contrary by October 10, 2018 we will assume that you agree to consider as final the Governor's acceptance of these requests.

State of Vermont
 Department of Finance & Management
 109 State Street, Pavilion Building
 Montpelier, VT 05620-0401

[phone] 802-828-2376
 [fax] 802-828-2428

Agency of Administration
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JOINT FISCAL OFFICE

**STATE OF VERMONT JOINT FISCAL OFFICE
 FINANCE & MANAGEMENT GRANT REVIEW FORM**

Grant Summary: Grant of \$450,000 over three years (\$150,000 a year) for supporting OPR's planned analysis of licensing criteria. Execution of OPR's action plan will reduce excessive licensing and reduce negative economic impacts. OPR is responsible for ensuring licensing regulations are efficient and this grant funding will allow them to expedite their performance of said task.

Date: 9/10/2018

Department: Secretary of State/Office of Professional Regulation

Legal Title of Grant: State Occupational Licensing Review and Reform

Federal Catalog #: FOA-ETA-18-06

Grant/Donor Name and Address: U.S Dept of Labor
 Employment and Training Admin, Office of Grants Management
 200 Constitution Avenue, NW, Room N4716
 Washington, DC 20210

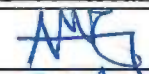
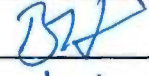
Grant Period: From: 7/1/2018 To: 6/30/2021

Grant/Donation: \$450000

	SFY 1	SFY 2	SFY 3	Total	Comments
Grant Amount:	\$150,000	\$150,000	\$150,000	\$450,000	

Position Information:	# Positions	Explanation/Comments
	0	

Additional Comments: These grant funds will be used to augment existing functions and responsibilities of OPR. There is no additional obligation to the state for taking these funds, they will merely offset costs that would otherwise fall to the state of Vermont (OPR Special Fund 21150).

Department of Finance & Management		(Initial)
Secretary of Administration		(Initial)
Sent To Joint Fiscal Office	9/18/18	Date



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**STATE OF VERMONT
FINANCE & MANAGEMENT GRANT REVIEW FORM**

88

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STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE (Form AA-1)

BASIC GRANT INFORMATION				
1. Agency:	Vermont Secretary of State			
2. Department:	Office of Professional Regulation			
3. Program:	Professional Licensing			
4. Legal Title of Grant:	State Occupational Licensing Review and Reform			
5. Federal Catalog #:	FOA-ETA-18-06			
6. Grant/Donor Name and Address:	The U.S. Department of Labor Employment and Training Administration, Office of Grants Management Attention: Ms. Melissa Abdullah, Grant Officer Reference FOA-ETA-18-06 200 Constitution Avenue, NW, Room N4716 Washington, DC 20210			
7. Grant Period:	From:	7/1/2018	To:	6/30/2021
8. Purpose of Grant:	Support Vermont's analysis of relevant licensing criteria, potential portability issues, and whether licensing requirements are overly broad or burdensome. Vermont has specific plans of action designed to reduce excessive licensing and consider the potential of alternative approaches that maintain the protection of public health and safety, such as professional certification. Excessive licensing can create economic barriers for job seekers, including veterans, military personnel and their families.			
9. Impact on existing program if grant is not Accepted:	Professional licensing and analysis would not be completed within the same timeframe as existing appropriation is not sufficient alone to absorb the additional cost drivers.			
10. BUDGET INFORMATION				
	SFY 1	SFY 2	SFY 3	Comments
Expenditures:	FY 19	FY 20	FY 21	
Personal Services	\$400,522	\$400,522	\$400,522	Annual: \$325,522 =current cost of personnel. \$75,000 for contracted services
Operating Expenses	\$21,000	\$21,000	\$21,000	OPR Board Work Groups
Grants	\$	\$	\$	
Total	\$421,522	\$421,522	\$421,522	
Revenues:				
State Funds:	\$271,522	\$271,522	\$271,522	NOT GENERAL FUND
Cash	\$0	\$	\$	
In-Kind	\$	\$	\$	
Federal Funds:	\$	\$	\$	

STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE (Form AA-1)

(Direct Costs)	\$	\$	\$
(Statewide Indirect)	\$	\$	\$
(Departmental Indirect)	\$	\$	\$
Other Funds:	\$	\$	\$
Grant (source US DOL)	\$150,000	\$150,000	\$150,000
Total	\$421,522	\$421,522	\$421,522

Appropriation No:	2230010000	Amount:	\$450,000
			\$
			\$
			\$
			\$
			\$
			\$
		Total	\$450,000

PERSONAL SERVICE INFORMATION

11. Will monies from this grant be used to fund one or more Personal Service Contracts? Yes No
 If "Yes", appointing authority must initial here to indicate intent to follow current competitive bidding process/policy.

Appointing Authority Name: James C. Condos Agreed by: CW (initial)

12. Limited Service Position Information:	# Positions	Title
	0	
Total Positions	0	

12a. Equipment and space for these positions: Is presently available. Can be obtained with available funds.

13. AUTHORIZATION AGENCY/DEPARTMENT

I/we certify that no funds beyond basic application preparation and filing costs have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant, unless previous notification was made on Form AA-1PN (if applicable):

Signature: <u> [Signature] </u>	Date: <u> 8/22/18 </u>
Title: <u> Deputy Sec. of State </u>	Date: <u> 8/22/18 </u>
Signature:	Date:
Title:	

14. SECRETARY OF ADMINISTRATION

<input checked="" type="checkbox"/> Approved:	(Secretary or designee signature) <u> [Signature] </u>	Date: <u> 9/19/18 </u>
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15. ACTION BY GOVERNOR

<input checked="" type="checkbox"/> Check One Box: Accepted	<u> [Signature] </u>	Date: <u> 9/18/19 </u>
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STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE (Form AA-1)

<input type="checkbox"/>	Rejected	(Governor's signature)	Date:
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16. DOCUMENTATION REQUIRED

Required GRANT Documentation

<input type="checkbox"/> Request Memo <input type="checkbox"/> Dept. project approval (if applicable) <input checked="" type="checkbox"/> Notice of Award <input type="checkbox"/> Grant Agreement <input checked="" type="checkbox"/> Grant Budget	<input type="checkbox"/> Notice of Donation (if any) <input type="checkbox"/> Grant (Project) Timeline (if applicable) <input type="checkbox"/> Request for Extension (if applicable) <input type="checkbox"/> Form AA-1PN attached (if applicable)
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End Form AA-1

(*) The term "grant" refers to any grant, gift, loan, or any sum of money or thing of value to be accepted by any agency, department, commission, board, or other part of state government (see 32 V.S.A. §5).

U.S. DEPARTMENT OF LABOR EMPLOYMENT AND TRAINING ADMINISTRATION (DOL/ETA)	NOTICE OF AWARD (NOA)
Under the authority of the <i>Workforce Innovation and Opportunity Act, P.L. 113-28</i> , this grant or agreement is entered into between the above named <i>Grantor Agency</i> and the following named <i>Awardee</i> , for a project entitled - STATE OCCUPATIONAL LICENSING REVIEW AND REFORM.	

Name & Address of Awardee:
Secretary of State - Office of Professional Regulation
89 Main St
3rd Floor
Montpelier, VERMONT 05620-3402

Federal Award Id. No. (FAIN): MI-32225-18-60-A-50
CFDA #: 17.207- Employment Service / Wagner-Peyser
Funded Activities
Amount: \$450,000.00
EIN: 036000264
DUNS #: 360745301

Accounting Code: 1630-2018-0501791718BD201801790012175OS006A0000AOFAM0AOFAM0-A90310-410010-ETA-DEFAULT TASK-

Payment Management System DOC#: MI322259Z1

The Period of Performance shall be from **July 01, 2018 thru June 30, 2021**.
Total Government's Financial Obligation is **\$450,000.00** (unless other wise amended).

Payments will be made under the Payments Management System, and can be automatically drawn down by the awardee on an as needed basis covering a forty-eight (48) hour period.

In performing its responsibilities under this grant agreement, the awardee hereby certifies and assures that it will fully comply with all applicable Statute(s), and the following regulations and cost principles, including any subsequent amendments:

Uniform Administrative Requirements, Cost Principles, and Audit Requirements:
2 CFR Part 200; Uniform Administrative Requirements, Cost Principles, and Audit Requirements; Final Rule
2 CFR Part 2900; DOL Exceptions to 2 CFR Part 200;

Other Requirements (Included within this NOA):

Condition(s) of Award (if applicable)
Federal Award Terms, including attachments

Contact Information

The Federal Project Officer (FPO) assigned to this grant is Trevor Capon. Trevor Capon will serve as your first line point of contact and can be contacted via e-mail - capon.trevor@dol.gov. If your FPO is not available, please call your Regional Office at 617-788-0170 for assistance.

The awardee's signature below certifies full compliance with all terms and conditions as well as all applicable Statutes(s), grant regulations, guidance, and certifications.

Signature of Approving Official - **AWARDEE**

Signature of Approving Official - **DOL / ETA**



MELISSA ABDULLAH, June 27, 2018
GRANT Officer

See SF-424 for Signature
No Additional Signature Required

CONDITIONS OF AWARD

Condition 1 – Anti-Lobbying Provisions

Due to the anti-lobbying provisions for Federal grants ([2 CFR Part 93](#) and [2 CFR 200.450](#)) passage of legislation cannot be a deliverable under this grant. Therefore, deliverables, accomplishments or outcomes that would require actual passage of legislation should not be included in the work plan (see Project Narrative, pg. 13 – Year 2 outputs and “codification” reference).

Please work with your assigned FPO to submit a revised Statement of Work within 30 days of receipt of this award removing passage of legislation from the work plan. As stated in the FOA, awardee activities related to potential legislative changes must be limited to review and analysis.

Condition 2 – Budget

The grantee must submit to the FPO within 30 days a budget modification request which includes the following:

1. A revised SF-424A which demonstrates Federal funds only. In addition, please revise the SF-424A, as indicated below:
 - Section A must demonstrate federal funds requested in column (e) and all funds should be listed in row 1.
2. A revised Budget Narrative with a clearly delineated description of costs associated with each line item on the SF-424A, as outlined on pages 13-16 of the Funding Opportunity Announcement, which aligns with the subtotals and total indicated on the SF-424A. Specifically, the Budget Narrative must clarify the following:
 - Personnel: Provide a more detailed description of the individual cost items so that mathematical accuracy can be determined. In addition:
 - For each position, give the annual salary, the percentage of time devoted to the project and the amount of each position’s salary funded by the grant.
 - Fringe: Provide a more detailed description of the individual cost items so that mathematical accuracy can be determined. In addition:
 - Provide a breakdown of the amounts and percentages that comprise fringe benefit costs such as health insurance, FICA, retirement, etc.
 - Travel: Provide a more detailed description of the individual cost items so that mathematical accuracy can be determined. In addition:

- Specify the number of staff traveling, mileage, per diem, estimated number of in-state and out-of-state trips, and other costs for each type of travel.
- Supplies: Provide a more detailed description of the individual cost items so that mathematical accuracy can be determined. In addition:
 - List the quantity and unit cost per item so we can determine if the costs associated with this line item are reasonable. (See “snacks and coffee”)
 - Costs related to meetings should be listed in the Other line item.
- Contractual: The Budget Narrative indicates \$75,000 per year while the SF-424A indicates \$75,000 total. These totals must align.

Please submit the required documentation, as requested above, to your Federal Project Officer (FPO) within 30 days from the date of award. Your FPO will review the documentation and then submit it to the Grant Officer for formal approval as a modification to the grant agreement.

TERMS AND CONDITIONS LIBRARY
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<i>Attachment D: Statement of Work</i>	

1. Order of Precedence

In the event of any inconsistency between the terms and conditions of this Notice of Award and other requirements, the following order of precedence shall apply:

- I. Public Law 115-31, FY 2017 Consolidated Appropriations Act, as clarified by language and instructions set forth in House Report 114-699 and Senate Report 114-274.
- II. Other applicable Federal statutes
- III. Implementing Regulations.
- IV. Executive Orders.
- V. OMB Circulars, including the Uniform Guidance at 2 CFR 200 and 2900.
- VI. DOL-ETA Directives.
- VII. Terms and conditions of this award.

2. Notice of Award

Funds shall be obligated and allocated via a Notice of Award (NOA) grant modification. These obligations and costs may not exceed the amount awarded by the NOA modification unless otherwise modified by the ETA.

3. Funding Opportunity Announcement

The Funding Opportunity Announcement (FOA) <https://www.doleta.gov/grants/docs/FOA-ETA-18-06.pdf> are hereby incorporated into this Notice of Award (NOA). Award recipients are bound by the authorizations, restrictions, and requirements contained in the FOA. Therefore, the expenditure of grant funds by the award recipient certifies that (your organization has read and will comply with all the parts that are contained in the NOA.

4. Federal Project Officer

The DOL/ETA Federal Project Officer (FPO) for this award is:

Name: Trevor Capon
Telephone: 617-788-0391
E-mail: capon.trevor@dol.gov

The FPO is not authorized to change any of the terms or conditions of the award or approve prior approval requests. Any changes to the terms or conditions or prior approvals must be approved by the Grant Officer through the use of a formally executed award modification process.

5. Approved Statement of Work

This project's narrative is considered as the Approved Statement of Work. It has been included as Attachment D. If there is any inconsistency between items specified in the project narrative and the program statute, appropriation, regulations, Executive Orders, Uniform Guidance, OMB Circulars, and DOL-ETA directives, the order of precedence will prevail.

6. Indirect Cost Rate and Cost Allocation Plan

- A. A current federally approved Negotiated Indirect Cost Rate Agreement (NICRA) or current federally approved Cost Allocation Plan (CAP) has been provided – copy attached. Regarding only the NICRA:

- (1) Indirect Rate approved:
- (2) Type of Indirect Cost Rate:
- (3) Allocation Base:
- (4) Current period applicable to rate:

Estimated Indirect Costs are shown on the SF-424A budget form. If a new NICRA is issued during the life of the grant, it must be provided to DOL within 30 days of issuance. Funds may be re-budgeted as necessary between direct and indirect costs consistent with institutional requirements and DOL regulations for prior approval, however the total amount of grant award funding will not be increased. Any budget changes impacting the Statement of Work and agreed upon outcomes or deliverables require a request for modification and prior approval from the Grant Officer.

- B. (1) Latest NICRA or CAP approved by the Federal Cognizant Agency¹ (FCA) is not current,
- (2) No NICRA or CAP has ever been approved by an FCA.

URGENT NOTICE: Estimated indirect costs have been specified on the SF-424A, Section B, Object Class Category “j”, however only \$ N/A will be released to support indirect costs in the absence of a NICRA or CAP approved by the cognizant agency. The remaining funds which have been awarded for Indirect Costs are restricted and may not be used for any purpose until the awardee provides a signed copy of the NICRA or CAP and the restriction is lifted by the Grant Officer. Upon receipt of the NICRA or CAP, ETA will issue a grant modification to the award to remove the restriction on those funds.

The awardee must submit an indirect cost rate proposal or CAP. These documents should be submitted to DOL’s Division of Cost Determination (DCD), or to the awardee’s Federal Cognizant Agency. In addition, the awardee must notify the Federal Project Officer that the documents have been sent. Contact information for the DCD is available at <http://www.dol.gov/oasam/boc/dcd/>. If this proposal is not submitted within 90 days of the effective date of the award, no funds will be approved for the reimbursement of indirect costs. Failure to submit an indirect cost proposal by the above date means the grantee will not receive further reimbursement for indirect costs until a signed copy of the federally approved NICRA or CAP is provided and the restriction is lifted by the Grant Officer. All

¹ The Federal agency providing the organization the preponderance of direct Federal funds.

indirect charges must be returned through the Payment Management System and no indirect charges will be reimbursed.

The total amount of DOL's financial obligation under this grant award will not be increased to reimburse the awardee for higher negotiated indirect costs.

- C. The organization elected to exclude indirect costs from the proposed budget. Please be aware that incurred indirect costs (such as top management salaries, financial oversight, human resources, payroll, personnel, auditing costs, accounting and legal, etc. used for the general oversight and administration of the organization) must not be classified as direct costs; these types of costs are indirect costs. Only direct costs, as defined by the applicable cost principles, will be charged. Audit disallowances may occur if indirect costs are misclassified as direct.
- D. The organization has never received a negotiated indirect cost rate and, pursuant to the exceptions noted at 2 CFR 200.414(f) in the Cost Principles, has elected to charge a de minimis rate of 10% of modified total direct costs (see 2 CFR 200.68 for definition) which may be used indefinitely. This methodology must be used consistently for all Federal awards until such time as you choose to negotiate for an indirect cost rate, which you may apply to do at any time. (See 2 CFR 200.414(f) for more information on use of the de minimis rate.)

If the DOL is your FCA, as a recipient, your organization must work with DOL's DCD, which has delegated authority to negotiate and issue a NICRA or CAP on behalf of the Federal Government. More information about the DOL's DCD is available at <http://www.dol.gov/oasam/boc/dcd/>. This website has guidelines to develop indirect cost rates, links to the applicable cost principles, and contact information. The DCD also has Frequently Asked Questions to provide general information about the indirect cost rate approval process and due dates for provisional and final indirect cost rate proposals at <http://www.dol.gov/oasam/faqs/FAQ-dcd.htm>.

Starting the quarter ending September 30, 2016, all grant recipients with an approved NICRA or de minimis rate must report indirect costs on their **FINAL** ETA-9130 Form. Please see TEGl 2-16 for additional guidance at https://wdr.doleta.gov/directives/attach/TEGL/TEGL_2-16_acc.pdf

7. Approved Budget

The award recipient's budget documents are attached in this Notice of Award. The documents are: 1) the SF-424, included as Attachment A; 2) the SF-424 A, included as Attachment B; and 3) the Budget Narrative, included as Attachment C. As the award recipient, your organization must confirm that all costs are allowable before creating any expenses. Pursuant to 2 CFR 2900.1, the approval of the budget as awarded does not constitute prior approval of those items specified in 2 CFR 200 or your grant award as requiring prior approval. The Grant Officer is the only official with the authority to provide such approval.

8. Return of Funds

Effective October 1st, 2017, the U.S. Department of Labor, Employment & Training Administration will no longer be accepting paper checks for any type of returned funds. All return of funds are to be submitted electronically through the Payment Management System (PMS) operated by the U.S. Department of Health and Human Resources via the same method as a drawdown.

If there are questions regarding the return of funds or your organization no longer has access to PMS, contact the U.S. Department of Labor/ETA Office of Financial Administration via email at: ETA-ARteam@dol.gov for further assistance.

9. Evaluation, Data, and Implementation

As the award recipient, your organization must cooperate during the implementation of a third-party evaluation. This means providing DOL or its authorized contractor with the appropriate data and access to program operating personnel and participants in a timely manner.

10. Resources and Information

Additional resources and information to assist you are located on the ETA website at <https://www.doleta.gov/grants/resources.cfm> and on the Grants Application and Management collection page located on WorkforceGPS.org at <https://grantsapplicationandmanagement.workforcegps.org/>. These sites contains information about the Uniform Guidance, grant terms and conditions, financial reporting, indirect costs, recipient training resources, and other relevant information.

11. Cost Limitation Restrictions

a. Budget Flexibility

Federal recipients are not permitted to make transfers that would cause any funds to be used for purposes other than those consistent with this Federal program. Any budget changes that impact the Statement of Work and agreed upon outcomes or deliverables require a request for modification and prior approval from the Grant Officer.

As directed in 2 CFR 200.308(e), for programs where the Federal share is over the simplified acquisition threshold (currently \$150,000), the transfer of funds among direct cost categories or programs, functions and activities is restricted such that if the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget as last approved by the Federal awarding agency, the recipient must receive prior approval from the Grant Officer. Any changes within a specific cost category on the SF424(a) do not require a grant modification unless the change results in a cumulative transfer among direct cost categories exceeding 10% of total budget as noted above. It is recommended that your assigned FPO review any within-

line changes to your budget prior to implementation to ensure they do not require a modification. For programs where the Federal share is below the simplified acquisition threshold, recipients are not required to obtain the Grant Officer's approval when transferring funds among direct cost categories. This includes transferring direct costs to the indirect cost category contained on the SF424 (a).

b. Consultants

For the purposes of this award, the ETA Grant Officer has determined that fees paid to a consultant who provides services under a program shall be limited to \$710 per day (representing an eight hour work day). Any fees paid in excess of this amount cannot be paid without prior approval from the Grant Officer.

c. Travel

This award waives the prior approval requirement for domestic travel as contained in 2 CFR 200.474. For domestic travel to be an allowable cost, it must be necessary, reasonable, allocable and conform to the non-Federal entities written policies and procedures. All travel must also comply with Fly America Act (49 USC 40118), which states in part that any air transportation, regardless of price, must be performed by, or under a code-sharing arrangement with, a US Flag air carrier if service provided by such carrier is available.

d. Travel - Foreign

Foreign travel is not allowable except with prior written approval. Prior written approval must be obtained from the Grant Officer through the process described in 2 CFR 200.407 and 2 CFR 2900.16. All travel, both domestic and Grant Officer-approved foreign travel, must comply with the Fly America Act (49 USC 40118), which states in part that any air transportation, regardless of price, must be performed by, or under a code-sharing arrangement with, a US Flag air carrier if service provided by such carrier is available.

e. Travel - Mileage Reimbursement Rates

Pursuant to 2 CFR 200.474(a), all award recipients must have policies and procedures in place related to travel costs; however, for reimbursement on a mileage basis, this Federal award cannot be charged more than the maximum allowable mileage reimbursement rates for Federal employees. The 2018 mileage reimbursement rates are:

Modes of Transportation	Effective/Applicability Date	Rate per mile
Privately owned automobile	January 1, 2018	\$0.545
Privately owned motorcycle	January 1, 2018	\$0.515

Mileage rates must be checked annually at www.gsa.gov/mileage to ensure compliance.

12. Administrative Requirements

a. Audits

Organization-wide or program-specific audits shall be performed in accordance with Subpart F, the Audit Requirements of the Uniform Guidance which apply to audits for fiscal years beginning on or after December 26, 2014. DOL awards recipients including for-profit and foreign entities that expend \$750,000 or more in a year from any Federal awards must have an audit conducted for that year in accordance with the requirements contained in 2 CFR 200.501. OMB's approved exception at 2 CFR 2900.2 expands the definition of 'non-Federal entity' to include for-profit entities and foreign entities. For-profit and foreign entities that are recipients or subrecipients of a DOL award must adhere to the Uniform Guidance at 2 CFR 200.

b. Closeout/Final Year Requirements

At the end of the grant period, the award recipient will be required to close the grant with the ETA. As the award recipient, your organization will be notified approximately 15 days prior to the end of the period of performance that the closeout process will begin once the grant ends. The information concerning the recipient's responsibilities at closeout may be found at 2 CFR 200.343. During the closeout process, the grantee must be able to provide documentation for all direct and indirect costs that are incurred. For instance, if an organization is claiming indirect costs, the documentation that is required is a Negotiated Indirect Cost Rate Agreement or Cost Allocation Plan issued by the grantee's Federal cognizant agency. Documentation for those approved to utilize a de minimis rate for indirect costs is demonstrated through the grant agreement. Not having documentation for direct or indirect costs will result in costs being disallowed and subject to debt collection. The only liquidation that can occur during closeout is the liquidation of accrued expenditures (NOT obligations) for goods and/or services received during the grant period (2 CFR 2900.15).

c. Creative Commons Attributions License

As required at 2 CFR 2900.13, any intellectual property developed under a competitive award process must be licensed under a Creative Commons Attribution 4.0 (CC BY) license, which allows subsequent users to copy, distribute, transmit and adapt the copyrighted work and attribute the work in the manner specified by the recipient. For general information on CC BY, please visit <http://creativecommons.org/licenses/by/4.0>. The Instructions for marking your work with CC BY can be found at http://wiki.creativecommons.org/Marking_your_work_with_a_CC_license.

d. Equipment

Award Recipients must receive **prior approval** from the Grant Officer to purchase any equipment as defined in the Uniform Guidance at 2 CFR 200.33. Equipment purchases must be made in accordance with 2 CFR 200.313 or 2 CFR 200.439.

Being awarded this grant **does not** automatically mean you are approved for the equipment specified in a recipient's budget or statement of work unless it is specifically approved by the Grant Officer. If not specified above, the recipient must submit a detailed list describing the purchase to the FPO for review within 90 days of the Notice of Award date. We strongly encourage recipients to submit requests for equipment purchase as early as possible in the

grant's period of performance with as many planned pieces of equipment as possible.

Recipients may not purchase equipment in the last funded year of performance which is defined as full program service delivery (not follow up activities). This may not be the same as the last twelve months of the period of performance. If any approved acquisition has not occurred prior to the last funded year of performance, approval for that item(s) is rescinded.

e. Federal Funding Accountability and Transparency Act (FFATA)

1. Reporting of first-tier subawards.

- I. *Applicability.* Unless your organization is exempt as provided in paragraph [4.] of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph [5.] of this award term).
- II. *Where and when to report.*
 - I. You must report each obligating action described in paragraph [1.i.] of this award term to <https://www.fsrs.gov>.
 - II. For subaward information, you must report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)
- III. *What to report.* You must report the information about each obligating action that the submission instructions posted at <https://www.fsrs.gov> specify.

2. Reporting Total Compensation of Recipient Executives.

- I. *Applicability and what to report.* You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if—
 - I. the total Federal funding authorized to date under this award is \$25,000 or more;
 - II. in the preceding fiscal year, you received—
 - (A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - (B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - III. The public does not have access to information on the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <https://www.sec.gov/answers/execomp.htm>.)
- II. *Where and when to report.* You must report executive total compensation described in paragraph [2.a.] of this award term:

- a. As part of your registration profile at <http://www.sam.gov>.
 - b. By the end of the month following the month in which this award is made, and annually thereafter.
- 3. Reporting of Total Compensation of Subrecipient Executives.
 - I. *Applicability and what to report.* Unless you are exempt as provided in paragraph [4.] of this award term, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if—
 - I. in the subrecipient's preceding fiscal year, the subrecipient received—
 - (A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - (B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and
 - II. The public does not have access to information on the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <https://www.sec.gov/answers/execomp.htm>.)
 - II. *Where and when to report.* You must report subrecipient executive total compensation described in paragraph [3.a] of this award term:
 - I. To the recipient.
 - II. By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (i.e., between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.
- 4. Exemptions

If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:

 - a. Subawards, and
 - b. The total compensation of the five most highly compensated executives of any subrecipient.
- 5. Definitions.

For purposes of this award term:

 - a. *Entity* means all of the following, as defined in 2 CFR part 25:
 - I. A Governmental organization, which is a State, local government, or Indian tribe;
 - II. A foreign public entity;
 - III. A domestic or foreign nonprofit organization;
 - IV. A domestic or foreign for-profit organization;
 - V. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

- b. *Executive* means officers, managing partners, or any other employees in management positions.
- c. *Subaward*:
 - I. This term is used as a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
 - II. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see [2 CFR 200.330]).
 - III. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.
- d. *Subrecipient* means an entity that:
 - I. Receives a subaward from you (the recipient) under this award; and
 - II. Is accountable to you for the use of the Federal funds provided by the subaward.
- e. *Total compensation* means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):
 - I. *Salary and bonus*.
 - II. *Awards of stock, stock options, and stock appreciation rights*. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
 - III. *Earnings for services under non-equity incentive plans*. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
 - IV. *Change in pension value*. This is the change in present value of defined benefit and actuarial pension plans.
 - V. *Above-market earnings on deferred compensation which is not tax-qualified*.
 - VI. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

f. Intellectual Property Rights

The Federal Government reserves a paid-up, nonexclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use for federal purposes: i) the copyright in all products developed under the grant, including a subgrant or contract under the grant or subgrant; and ii) any rights of copyright to which the recipient, subrecipient or a contractor purchases ownership under an award (including but not limited to curricula, training models, technical assistance products, and any related materials). Such uses include, but are not limited to, the right to modify and distribute such products worldwide by any means, electronically or otherwise. Federal funds may not be used to pay any royalty or license fee for use of a copyrighted work, or the cost of acquiring by purchase a copyright in a work, where the Department has a license or rights of free use in such work, although they may be used to pay costs for obtaining a copy which is limited to the developer/seller costs of copying and shipping. If revenues are generated by selling products developed with grant funds, including intellectual

property, these revenues are considered as program income. Therefore, program income must be used in accordance with the provisions of this grant award and 2 CFR 200.307.

If applicable, the following needs to be on all products developed in whole or in part with grant funds:

"This workforce product was funded by a grant awarded by the U.S. Department of Labor's Employment and Training Administration. The product was created by the recipient and does not necessarily reflect the official position of the U.S. Department of Labor. The Department of Labor makes no guarantees, warranties, or assurances of any kind, express or implied, with respect to such information, including any information on linked sites and including, but not limited to, accuracy of the information or its completeness, timeliness, usefulness, adequacy, continued availability, or ownership. This product is copyrighted by the institution that created it."

g. Intellectual Property Rights and the Bayh-Dole Act

All small business firms, and non-profit organizations (including Institutes of Higher Education) must adhere to the Bayh Dole Act, which requirements are provided at 37 CFR 401.3(a) and at <https://doleta.gov/grants/pdf/BayhDoleGrantTerm.pdf>. To summarize, these requirements describe the ownership of Intellectual Property rights and the government's nonexclusive, nontransferable, irrevocable, paid-up license to use any invention conceived or first actually reduced to practice in the performance of work under this grant. These requirements are in addition to those found in the Intellectual Property Rights term provided in this document.

h. Personally Identifiable Information

Award recipients must recognize and safeguard personally identifiable information (PII) except where disclosure is allowed by prior written approval of the Grant Officer or by court order. Award recipients must meet the requirements in Training and Employment Guidance letter (TEGL) 39-11, Guidance on the Handling and Protection of Personally Identifiable Information (PII)), found at http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=7872.

i. Pre-Award

All costs incurred by the award recipient prior to the start date specified in the award issued by the Department are ***incurred at the recipient's own expense***.

j. Procurement

The Uniform Guidance (2 CFR 200.317) require States (as defined at 2 CFR 200.90) to follow the same procurement policies and procedures it uses for non-Federal funds. The State will comply with section 200.322 Procurement of recovered *materials* and ensure that every purchase order or other contract includes any clauses required by section 200.326 Contract provisions.

k. Program Income

The Addition method as described in 2 CFR 200.307 must be used in allocating any program income generated for this grant award. Award recipients must expend all program income prior

to drawing down additional funds as required at 2 CFR 200.305(b) (5) and 2 CFR 200.307(e). Any program income found remaining at the end of period of performance must be returned to the ETA. In addition, recipients must report program income on the quarterly financial report using ETA-9130 form.

I. Publicity

No funds provided under this grant shall be used for publicity or propaganda purposes, for the preparation, distribution or use of any kit, pamphlet, booklet, publication, radio, television or film presentation designed to support or defeat legislation pending before the Congress or any state or local legislature or legislative body, except in presentation to the Congress or any state or local legislature itself, or designed to support or defeat any proposed or pending regulation, administrative action, or order issued by the executive branch of any state or local government, except in presentation to the executive branch of any state or local government itself. Nor shall grant funds be used to pay the salary or expenses of any recipient or agent acting for such recipient, related to any activity designed to influence the enactment of legislation, appropriations, regulation, administrative action, or Executive Order proposed or pending before the Congress, or any state government, state legislature, or local legislative body other than for normal and recognized executive-legislative relationships or participation by an agency or officer of a state, local, or tribal government in policymaking and administrative processes within the executive branch of that government.

m. Reports

All ETA recipients are required to submit quarterly financial and narrative progress reports for each grant award.

- A. Quarterly Financial Reports.** All ETA recipients are required to report quarterly financial data on the ETA-9130 Form. ETA-9130 reports are due no later than 45 calendar days after the end of each specified reporting quarter. Reporting quarter end dates are March 31, June 30, September 30, and December 31. A final financial report must be submitted no later than 90 calendar days after the grant period of performance ends. A closeout report will be submitted during the closeout process. For additional guidance on ETA's financial reporting, reference Training and Employment Guidance Letter (TEGL) 02-16 and https://www.doleta.gov/grants/pdf/ETA-9130_Financial_Reporting_Resources.pdf

The instructions for accessing both the on-line financial reporting system and the HHS Payment Management System can be found in the transmittal memo accompanying this Notice of Award.

- B. Quarterly Narrative Progress Reports.** Recipients are required to submit a narrative quarterly and final report on grant activities funded under this award. All reports are due no later than 45 calendar days after the end of each specified reporting quarter. Reporting quarter end dates are March 31, June 30, September 30, and December 31.

1. The last quarterly progress report that award recipients submit will serve as the grant's Final Performance Report. This report should provide both **quarterly and cumulative** information on the grant's activities. It must summarize project activities, employment outcomes and other deliverables, and related results of the project, and must thoroughly document the training or labor market information approaches used.
2. The recipient shall use any standard forms and instructions to report on training and employment outcomes and other data relating to the progress reports as provided by ETA.
3. The recipient shall utilize standard reporting processes and electronic reporting systems to submit their quarterly progress reports as provided by ETA.

n. Requirements for Conference and Conference Space

Conferences sponsored in whole or in part by the award recipient are allowable if the conference is necessary and reasonable for the successful performance of the Federal Award. Recipients are urged to use discretion and good judgment to ensure that all conference costs charged to the grant are appropriate and allowable. For more information on the requirements and the allowability of costs associated with conferences, refer to 2 CFR 200.432. Recipients will be held accountable to the requirements in 2 CFR 200.432. Therefore, costs that do not comply with 2 CFR 200.432 will be questioned and may be disallowed.

o. Subawards

A *subaward* means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

The provisions of the Terms and Conditions of this award will be applied to any subrecipient under this award. The recipient is responsible for monitoring the subrecipient, ensuring that the Terms and Conditions are in all subaward packages and that the subrecipient comply with all applicable regulations and the terms and conditions of this award (2 CFR 200.101(b)(1)).

p. Supportive Services & Participant Support Costs

When supportive services are expressly authorized by a program statute, regulation, or FOA, this award waives the prior approval requirement for participant support costs as described in 2 CFR 200.456. Costs must still meet the basic considerations at 2 CFR 200.402 – 200.411. Questions regarding supportive services and participant support costs should be directed to the FPO who is assigned to the grant.

q. System for Award Management

1. Requirement for System of Award Management (SAM)

Unless you are exempt from this requirement under 2 CFR 25.110, you as the award recipient must maintain the currency of your information in the SAM until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.

2. Requirement for unique entity identifier

If you are authorized to make subawards under this award, you:

- i. Must notify potential subrecipients that no entity (see definition in paragraph [3] of this award term) may receive a subaward from you unless the entity has provided its unique entity identifier to you.
- ii. May not make a subaward to an entity unless the entity has provided its unique entity identifier to you.

3. Definitions

For purposes of this award term:

- i. *System of Award Management (SAM)* is the Federal repository where award recipients register to do business with the U.S. government. Additional information about registration procedures may be found at the SAM Internet site (currently at <http://www.sam.gov>).
- ii. *Unique entity identifier* means the code that is unique to a registered entity in order to complete its registration on SAM.
- iii. *Entity*, as it is used in this award term, means all of the following, as defined at 2 CFR part 25, subpart C:
 - a. A Governmental organization, which is a State, local government, or Indian Tribe;
 - b. A foreign public entity;
 - c. A domestic or foreign nonprofit organization;
 - d. A domestic or foreign for-profit organization; and
 - e. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.
- iv. *Subaward*:
 - a. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
 - b. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see 2 CFR 200.330).
 - c. A subaward may be provided through any legal agreement, including an agreement that you consider a contract.
- v. *Subrecipient* means an entity that:
 - a. Receives a subaward from you under this award; and
 - b. Is accountable to you for the use of the Federal funds provided by the subaward.

r. Vendor/Contractor

The term "contractor", sometimes referred to as a vendor, is a dealer, distributor, merchant or other seller providing goods or services that are required to implement a Federal program. (2 CFR 200.23) These goods or services may be for an organization's own use or for the use of the

beneficiaries of the Federal program. Additional guidance on distinguishing between a subrecipient and a contractor (vendor) is provided in 2 CFR 200.330. When procuring contractors for goods and services, DOL ETA recipients and subrecipients must follow the procurement requirements 2 CFR 200.319, which calls for free and open competition.

13. Program Requirements

The Funding Opportunity Announcement contains the program requirements for this award.

14. Federal Appropriations Requirements

a. Buy American Notice

Pursuant to P.L. 115-31, Division E, Title VI, Section 606, by drawing down funds, the recipient agrees to comply with sections 8301 through 8303 of title 41, United States Code (commonly known as the "Buy American Act"). Additionally, no funds may be made available to any person or entity that has been convicted of violating the Buy American Act.

For the purposes of this award, the Buy American Act requires the recipient to use, with limited exceptions, only 1) unmanufactured items that have been mined or produced in the United States; and 2) manufactured items that have been manufactured in the United States substantially all from articles, materials, or supplies that were mined, produced, or manufactured in the United States.

These exceptions do not apply to 1) items for use outside of the United States, 2) items that are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities and are not of a satisfactory quality; and 3) manufactured items procured under any contract with an award value that is less than the micro-purchase threshold (currently \$3,500). In order to claim an exception under options 1 or 2, the recipient must get prior approval from the Grant Officer. Prior approval is not needed for purchases under the micro-purchase threshold.

b. Health Benefits Coverage for Contraceptives

Pursuant to P.L. 115-31, Division E, Title VII, Section 726, Federal funds may not be used to enter into or renew a contract which includes a provision for drug coverage unless the contract includes a provision for contraceptive coverage. Exemptions to this requirement apply to contracts with 1) the religious plans of Personal Care's HMO and OSF HealthPlans, Inc. and 2) any existing or future plan if the carrier for the plan objects to such coverage on the basis of religious beliefs.

In implementing this section, any plan that enters into or renews a contract may not subject any individual to discrimination on the basis that the individual refuses to prescribe or otherwise provide for contraceptives because such activities would be contrary to the individuals' religious beliefs or moral convictions. Nothing in this term shall be construed to require coverage of abortion or abortion related services.

c. Privacy Act

Pursuant to P.L. 115-31, Division E, Title VII, Section 732, no funds can be used in contravention of the 5 USC 552a (Privacy Act) or regulations implementing of the Privacy Act.

d. Prohibition on Contracting with Corporations with Felony Criminal Convictions

Pursuant to P.L. 115-31, Division E, Title VII, Section 746, the recipient may not knowingly enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to, any corporation that was convicted of a felony criminal violation under any Federal law within the preceding 24 months.

e. Prohibition on Contracting with Corporations with Unpaid Tax Liabilities

Pursuant to P.L. 115-31, Division E, Title VII, Section 745, the recipient may not knowingly enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to, any corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

f. Prohibition on Procuring Goods Obtained Through Child Labor

Pursuant to P.L. 115-31, Division H, Title I, Section 103, no funds may be obligated or expended for the procurement of goods mined, produced, manufactured, or harvested or services rendered, in whole or in part, by forced or indentured child labor in industries and host countries identified by the DOL prior to December 18, 2015. DOL has identified these goods and services here: <http://www.dol.gov/ilab/reports/child-labor/list-of-products/index-country.htm> .

g. Prohibition on Providing Federal Funds to ACORN

Pursuant to P.L. 115-31, Division H, Title V, Section 522, these funds may not be provided to the Association of Community Organizations for Reform Now (ACORN), or any of its affiliates, subsidiaries, allied organizations or successors.

h. Reporting of Waste, Fraud and Abuse

Pursuant to P.L. 115-31, Division E, Title VII, Section 743, no entity receiving federal funds may require employees or contractors of such entity seeking to report fraud, waste, or abuse to sign internal confidentiality agreements or statements prohibiting or otherwise restricting such employees or contractors from lawfully reporting such waste, fraud, or abuse to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information.

i. Requirement for Blocking Pornography

Pursuant to P.L. 115-31, Division H, Title V, Section 521, no Federal funds may be used to maintain or establish a computer network unless such network blocks the viewing, downloading, and exchanging of pornography.

j. Requirement to Provide Certain Information in Public Communications

Pursuant to P.L. 115-31, Division H, Title V, Section 505, when issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all non-Federal entities receiving Federal funds shall clearly state:

1. The percentage of the total costs of the program or project which will be financed with Federal money;
2. The dollar amount of Federal funds for the project or program; and
3. The percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

The requirements of this part are separate from those in the 2 CFR 200 and, when appropriate, both must be complied with.

k. Restriction on Health Benefits Coverage for Abortions

Pursuant to P.L. 115-31, Division H, Title V, Sections 506 and 507, Federal funds may not be expended for health benefits coverage that includes coverage of abortions, except when the abortion due to a pregnancy that is the result of rape or incest, or in the case where a woman suffers from a physical disorder, physical injury, including life-endangering physical conditions caused by or arising from the pregnancy itself that would, as certified by a physician, place the women in danger of death unless and abortion is performed. This restriction does not prohibit any non-Federal entity from providing health benefits coverage for abortions when all funds for that specific benefit do not come from a Federal source. Additionally, no funds made available through this award may be provided to a State or local government if such government subjects any institutional or individual health care entity to discrimination on the basis that the health care entity does not provide, pay for, provide coverage of, or refer for abortions.

l. Restriction on Lobbying/Advocacy

Pursuant to P.L. 115-31, Division H, Title V, Section 503, no federal funds may be used by a grant recipient, other than for normal and recognized executive-legislative relationships, to engage in lobbying or advocacy activities related to the enactment of federal, state, or local legislation, regulation, appropriations, order, or other administrative action, except in presentation to Congress or a State or local legislature itself or for participation by an agency or officer of a State, local or tribal government in policymaking and administrative processes within the executive branch of that government.

m. Restriction on the Promotion of Drug Legalization

Pursuant to P.L. 115-31, Division H, Title V, Section 509, no Federal funds shall be used for any activity that promotes the legalization of any drug or other substance included in schedule I of

the schedules of controlled substances established under section 202 of the Controlled Substances Act except for normal recognized executive-congressional communications or where the grant agreement provides for such use because there is significant medical evidence of a therapeutic advantage to the use of such drug or other substance.

n. Restriction on Purchase of Sterile Needles or Syringes

Pursuant to P.L. 115-31, Division H, Title V, Section 520, no Federal funds shall be used to purchase sterile needles or syringes for the hypodermic injection of any illegal drug.

o. Salary and Bonus Limitations

Pursuant to P.L. 115-31, Division H, Title I, Section 105 Recipients and subrecipients shall not use funds to pay the salary and bonuses of an individual, either as direct costs or as indirect costs, at a rate in excess of Executive Level II. The Executive Level II salary may change yearly and is located on the OPM.gov website (<http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2016/executive-senior-level>). The salary and bonus limitation does not apply to contractors (vendors) providing goods and services as defined in 2 CFR 200.330. Where States are recipients of such funds, States may establish a lower limit for salaries and bonuses of those receiving salaries and bonuses from subrecipients of such funds, taking into account factors including the relative cost-of-living in the State, the compensation levels for comparable State or local government employees, and the size of the organizations that administer Federal programs involved including Employment and Training Administration programs. See Training and Employment Guidance Letter No. 5-06 for further clarification, available at http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2262

15. Public Policy

a. Architectural Barriers

The Architectural Barriers Act of 1968, 42 U.S.C. 4151 et seq., as amended, the Federal Property Management Regulations (see 41 CFR 102-76), and the Uniform Federal Accessibility Standards issued by GSA (see 36 CFR 1191, Appendixes C and D) set forth requirements to make facilities accessible to, and usable by, the physically handicapped and include minimum design standards. All new facilities designed or constructed with grant support must comply with these requirements.

b. Drug-Free Workplace

The Drug-Free Workplace Act of 1988, 41 U.S.C. 702 et seq., and 2 CFR 182 require that all organizations receiving grants from any Federal agency maintain a drug-free workplace. The award recipient must notify the awarding office if an employee of the recipient is convicted of violating a criminal drug statute. Failure to comply with these requirements may be cause for suspension or debarment.

c. Executive Orders

12928: Pursuant to Executive Order 12928, the recipient is strongly encouraged to provide subcontracting/subgranting opportunities to Historically Black Colleges and Universities and other Minority Institutions such as Hispanic-Serving Institutions and Tribal Colleges and

Universities; and to Small Businesses Owned and Controlled by Socially and Economically Disadvantaged Individuals.

13043: Pursuant to Executive Order 13043, Increasing Seat Belt Use in the United States, dated April 16, 1997, recipients are encouraged to adopt and enforce on-the-job seat belt policies and programs for their employees when operating company-owned, rented, or personally owned vehicles.

13166: As clarified by Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, dated August 11, 2000, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with Title VI, recipients must take reasonable steps to ensure that LEP persons have meaningful access to programs in accordance with DOL's Policy Guidance on the Prohibition of National Origin Discrimination as it Affects Persons with Limited English Proficiency [05/29/2003] Volume 68, Number 103, Page 32289-32305. Meaningful access may entail providing language assistance services, including oral and written translation, where necessary. Recipients are encouraged to consider the need for language services for LEP persons served or encountered both in developing budgets and in conducting programs and activities. For assistance and information regarding your LEP obligations, go to <http://www.lep.gov>.

13513: Pursuant to Executive Order 13513, Federal Leadership On Reducing Text Messaging While Driving, dated October 1, 2009, recipients and subrecipients are encouraged to adopt and enforce policies that ban text messaging while driving company-owned or -rented vehicles or GOV, or while driving POV when on official Government business or when performing any work for or on behalf of the Government. Recipients and subrecipients are also encouraged to conduct initiatives of the type described in section 3(a) of this order.

d. Flood Insurance

The Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. 4001 *et seq.*, provides that no Federal financial assistance to acquire, modernize, or construct property may be provided in communities in the United States identified as flood-prone, unless the community participates in the National Flood Insurance Program and flood insurance is purchased within 1 year of the identification. The flood insurance purchase requirement applies to both public and private applicants for the DOL support. Lists of flood-prone areas that are eligible for flood insurance are published in the Federal Register by FEMA.

e. Hotel-Motel Fire Safety

Pursuant to 15 U.S.C. 2225a, the recipient must ensure that all space for conferences, and, conventions or training seminars funded in whole or in part with federal funds complies with the protection and control guidelines of the Hotel and Motel Fire Safety Act (P.L. 101-391, as amended). Recipients may search the Hotel Motel National Master List at <https://apps.usfa.fema.gov/hotel/> to see if a property is in compliance, or to find other information about the Act.

f. Prohibition on Trafficking in Persons

1. Trafficking in persons.

a. *Provisions applicable to a recipient that is a private entity.*

I. You as the recipient, your employees, subrecipients under this award, and subrecipients' employees may not—

- (A). Engage in severe forms of trafficking in persons during the period of time that the award is in effect;
- (B). Procure a commercial sex act during the period of time that the award is in effect; or
- (C). Use forced labor in the performance of the award or subawards under the award.

II. We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity —

- (A). Is determined to have violated a prohibition in paragraph a.1 of this award term; or
- (B). Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award term through conduct that is either—
 - i. Associated with performance under this award; or
 - ii. Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," as implemented by our agency at 2 CFR Part 2998.

b. *Provision applicable to a recipient other than a private entity.* We as the Federal awarding agency may unilaterally terminate this award, without penalty, if a subrecipient that is a private entity—

I. Is determined to have violated an applicable prohibition in paragraph a.1 of this award term; or

II. Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a.1 of this award term through conduct that is either—

- (A). Associated with performance under this award; or
- (B). Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," as implemented by our agency at 29 CFR Part 98.

c. *Provisions applicable to any recipient.*

I. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term.

II. Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:

- (A). Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and
- (B). Is in addition to all other remedies for noncompliance that are available to us under this award.

III. You must include the requirements of paragraph a.1 of this award term in any subaward you make to a private entity.

d. *Definitions.* For purposes of this award term:

I. "Employee" means either:

(A). An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this award; or

(B). Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.

II. "Forced labor" means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

III. "Private entity":

(A). Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25.

(B). Includes:

i. A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b).

ii. A for-profit organization.

IV. "Severe forms of trafficking in persons," "commercial sex act," and "coercion" have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

g. **Veterans' Priority Provisions**

The Jobs for Veterans Act (Public Law 107-288) requires recipients to provide priority service to veterans and spouses of certain veterans for the receipt of employment, training, and placement services in any job training program directly funded, in whole or in part, by the DOL. The regulations implementing this priority of service can be found at 20 CFR part 1010. In circumstances where a grant recipient must choose between two qualified candidates for a service, one of whom is a veteran or eligible spouse, the veterans priority of service provisions require that the grant recipient give the veteran or eligible spouse priority of service by first providing him or her that service. To obtain priority of service, a veteran or spouse must meet the program's eligibility requirements. Recipients must comply with the DOL guidance on veterans' priority. ETA's Training and Employment Guidance Letter (TEGL) No. 10-09 (issued November 10, 2009) provides guidance on implementing priority of service for veterans and eligible spouses in all qualified job training programs funded in whole or in part by DOL. TEGL No. 10-09 is available at http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2816.

16. **Attachments**

[Attachment A: SF-424](#)

[Attachment B: SF-424A](#)

[Attachment C: Budget Narrative](#)

[Attachment D: Statement of Work](#)

Attachment A: SF-424

Application for Federal Assistance SF-424

* 1. Type of Submission:

- Preapplication
 Application
 Changed/Corrected Application

* 2. Type of Application:

- New
 Continuation
 Revision

* If Revision, select appropriate letter(s):

* Other (Specify):

* 3. Date Received:

05/14/2018

4. Applicant Identifier:

5a. Federal Entity Identifier:

5b. Federal Award Identifier:

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

* a. Legal Name: Secretary of State - Office of Professional Regulation

* b. Employer/Taxpayer Identification Number (EIN/TIN):

03-6000264

* c. Organizational DUNS:

3607453010000

d. Address:

* Street1: 89 Main St

Street2: 3rd Floor

* City: Montpelier

County/Parish:

* State:

VT: Vermont

Province:

* Country:

USA: UNITED STATES

* Zip / Postal Code: 05620-3402

e. Organizational Unit:

Department Name:

Division Name:

f. Name and contact information of person to be contacted on matters involving this application:

Prefix:

* First Name:

Lora

Middle Name:

* Last Name:

Marchand

Suffix:

Title: Assistant Director

Organizational Affiliation:

Office of Professional Regulation

* Telephone Number: 802-828-5030

Fax Number:

* Email: Lora.Marchand@sec.state.vt.us

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

A: State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*** Other (specify):**

*** 10. Name of Federal Agency:**

Employment and Training Administration

11. Catalog of Federal Domestic Assistance Number:

17.207

CFDA Title:

Employment Service/Wagner-Peyser Funded Activities

*** 12. Funding Opportunity Number:**

FOA-ETA-18-06

*** Title:**

State Occupational Licensing Review and Reform

13. Competition Identification Number:

FOA-ETA-18-06

Title:

State Occupational Licensing Review and Reform

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment

Delete Attachment

View Attachment

*** 15. Descriptive Title of Applicant's Project:**

Reinventing Vermont Professional Regulation

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant

* b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:

* a. Start Date:

* b. End Date:

18. Estimated Funding (\$):

* a. Federal	<input type="text" value="450,000.00"/>
* b. Applicant	<input type="text" value="814,566.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="0.00"/>
* e. Other	<input type="text" value="0.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="1,264,566.00"/>

*** 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E.O. 12372.

*** 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

Yes No

If "Yes", provide explanation and attach

21. *By signing this application, I certify (1) to the statements contained in the list of certifications and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: * First Name:

Middle Name:

* Last Name:

Suffix:

* Title:

* Telephone Number: Fax Number:

* Email:

* Signature of Authorized Representative: * Date Signed:

Attachment B: SF-424A

BUDGET INFORMATION - Non-Construction Programs

OMB Number: 4040-0006
Expiration Date: 01/31/2019

SECTION A - BUDGET SUMMARY

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. Regulatory Review Criteria, Senior Planner and Policy Analyst (44.83%)	17.207	\$	\$	\$ 42,460.00	\$ 52,255.00	\$ 94,715.00
2. Project Director, Vermont Office of Professional Regulation, Director (5%) and Admin. Services Coordinator (5%)	17.207			11,540.00	219,267.00	230,807.00
3. Educational and/or legal counsel contract hire, at approximately \$75,000/year	17.207			75,000.00	0.00	75,000.00
4. OPR work groups, 15 professions, x 2/mtgs/year, \$500/mtg (covering all catering, mailings; 4 trips/year, \$1,500 each.	17.207			21,000.00	0.00	21,000.00
5. Totals		\$	\$	\$ 150,000.00	\$ 271,522.00	\$ 421,522.00

SECTION B - BUDGET CATEGORIES

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1)	(2)	(3)	(4)	
	Regulatory Review Criteria, Senior Planner and Policy Analyst (44.83%)	Project Director, Vermont Office of Professional Regulation, Director (5%) and Admin. Services Coordinator (5%)	Educational and/or legal counsel contract hire, at approximately \$75,000/year	OPR work groups, 15 professions, x 2/mtgs/year, \$500/mtg (covering all catering, mailings; 4 trips/year, \$1,500 each.	
a. Personnel	\$ 58,594.00	\$ 145,267.00	\$	\$	\$ 203,861.00
b. Fringe Benefits	36,121.00	85,540.00			121,661.00
c. Travel				6,000.00	6,000.00
d. Equipment					
e. Supplies				15,000.00	15,000.00
f. Contractual			75,000.00		75,000.00
g. Construction					
h. Other					
i. Total Direct Charges (sum of 6a-6h)	94,715.00	230,807.00	75,000.00	21,000.00	\$ 421,522.00
j. Indirect Charges					\$
k. TOTALS (sum of 6i and 6j)	\$ 94,715.00	\$ 230,807.00	\$ 75,000.00	\$ 21,000.00	\$ 421,522.00
7. Program Income	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

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SECTION C - NON-FEDERAL RESOURCES						
(a) Grant Program		(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS	
8.	Regulatory Review Criteria, Senior Planner and Policy Analyst (44.83%)	\$ 52,255.00	\$	\$	\$ 52,255.00	
9.	Project Director, Vermont Office of Professional Regulation, Director (5%) and Admin. Services Coordinator (5%)	219,267.00			219,267.00	
10.	Educational and/or legal counsel contract hire, at approximately \$75,000/year	0.00			0.00	
11.	OPR work groups, 15 professions, x 2/mtgs/year, \$500/mtg (covering all catering, mailings; 4 trips/year, \$1,500 each.	0.00			0.00	
12. TOTAL (sum of lines 8-11)		\$ 271,522.00	\$	\$	\$ 271,522.00	
SECTION D - FORECASTED CASH NEEDS						
		Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13.	Federal	\$ 150,000.00	\$ 37,500.00	\$ 37,500.00	\$ 37,500.00	\$ 37,500.00
14.	Non-Federal	\$ 271,522.00	67,881.00	67,881.00	67,880.00	67,880.00
15. TOTAL (sum of lines 13 and 14)		\$ 421,522.00	\$ 105,381.00	\$ 105,381.00	\$ 105,380.00	\$ 105,380.00
SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT						
(a) Grant Program		FUTURE FUNDING PERIODS (YEARS)				
		(b) First	(c) Second	(d) Third	(e) Fourth	
16.	Regulatory Review Criteria, Senior Planner and Policy Analyst (44.83%)	\$ 42,460.00	\$ 42,460.00	\$ 42,460.00	\$	
17.	Project Director, Vermont Office of Professional Regulation, Director (5%) and Admin. Services Coordinator (5%)	11,540.00	11,540.00	11,540.00		
18.	Educational and/or legal counsel contract hire, at approximately \$75,000/year	75,000.00	75,000.00	75,000.00		
19.	OPR work groups, 15 professions, x 2/mtgs/year, \$500/mtg (covering all catering, mailings; 4 trips/year, \$1,500 each.	21,000.00	21,000.00	21,000.00		
20. TOTAL (sum of lines 16 - 19)		\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$	
SECTION F - OTHER BUDGET INFORMATION						
21. Direct Charges:			22. Indirect Charges:			
23. Remarks:						

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Attachment C: Budget Narrative

Attachment 2, Budget and Budget Justification

OPR's budget utilizes four distinct resource areas to accomplish the six focus areas; 1) contracted regulatory capacity, 2) dedicated staff time, 3) stakeholder meetings, and 4) consulting with relevant state experts. These resources support the six activity areas by providing appropriate expertise in regulatory review, reform, administrative support and leadership. As will be seen on the Project Work Plan, these resources are not broken out between activity areas. By the nature of the project, regulatory review activities will intermingle as they inform the development and execution of best practices, supported by a coordinated team involved in all activities. Overall, a total cost of \$150,000 per year, for a total project budget of \$450,000 will support all program activities, as described below and relevant to the Project Narrative.

Description of Line Item Costs

- 1) Contracted regulatory capacity - \$75,000 per year. OPR will screen and hire a dedicated position to report to General Counsel and advance regulatory reform. The exact nature of the hire will be determined in the RFP process and most likely to occur with a legal or educational background.
- 2) Dedicated staff time - \$54,000 per year, inclusive of salary and fringe benefits.
 - a. The OPR Director will dedicate 5% of their time to provide leadership and direction over regulatory review activities, assuring alignment with vision, legal framework, and stakeholder interaction.
 - b. The OPR Administrative Services Coordinator will dedicate 5% of their time to general administrative support, including coordination of all stakeholder meetings, tracking of all feedback and assessment activities, travel coordination, and document preservation.

- c. The OPR Senior Planner and Policy Analyst will dedicate 44.83% of their time to provide quantitative modeling and analysis of the efficacy of reform proposals. Relevant modeling is a core of OPR's ability to provide consistent regulator review.
 - d. It should be noted that the OPR General Counsel indeed acts in a primary project management role. Because this is the core responsibility of this position, OPR is not requesting grant funding in this area. The DoL project provides additional capacity to carry out regulatory reform work.
- 3) Supplies - \$15,000 per year dedicated to stakeholder meetings. OPR will hold 30 stakeholder meetings per year at an average cost of \$500.00 per meeting. This funding will cover all notices, posting through relevant external stakeholder groups, hard copy mailings when appropriate, and meeting hosting costs such as light catering (coffee, snacks). This is the protocol typically employed for OPR stakeholder meetings. We expect there to be slight variation from profession to profession activity area due to different communication avenues needed to best reach stakeholders in distinct project areas.
- 4) Travel - \$6,000 per year dedicated to consulting with relevant state experts. This line item funds four (4) individual trips per year between OPR project staff and relevant state partners. Specific interactions will be determined as a result of early regulatory review, and are likely to focus on the states who are already members of the Occupational Licensing Policy Learning Consortium ("Consortium") formed under the Department's grant to the NCSL and partners in 2017. Vermont OPR has a strong history of interstate cooperation and will build on that throughout the project, sharing and gaining input on

best practices. Travel costs are estimated based on average staff travel for professional interaction, based on and inclusive of transportation, lodging, and meals per diem.

- 5) OPR is not requesting funding for Equipment, Construction, or other areas not specifically included herein. Such additional costs are minimal or non-existent as a distinct function of normal office activities.

Attachment D: Statement of Work

(1) Statement of Need**a. General Statement of Need**

Approximately 30% of Vermont's workforce is subject to occupational licensing requirements. The workforce, like the State's population generally, is among the oldest in the country. The viability of the State economy is tied directly to its ability to attract and retain younger workers and working-age immigrants. For large states, restrained, rational, and appropriate occupational licensing is an important input to general wellbeing; for a small state like Vermont, it is an absolute necessity.

As older workers leave the professional ranks, those available to replace them—young Vermonters and would-be immigrants to the State—can confront an intimidating and expensive array of occupational-licensing requirements. Barriers to market entry prevent rational resource allocation and distort professional-service markets, to the net detriment of professionals, consumers, and businesses. Despite unmet demand for professional services, substantially qualified aspirants to professional and occupational roles too often must incur educational debt and the opportunity costs of deferred employment while working to satisfy idiosyncratic licensing requirements with dubious relevance to public protection.

The consequences of gratuitous regulatory market distortions are uniquely injurious in Vermont because of the state's very small population and physical territory. A worker in a licensed field will find that a license from almost any other American jurisdiction will open access to a larger market. And conversely, a growing Vermont business in need of licensed workers will find fewer incumbent licensees in the labor pool than its competitors in almost any other jurisdiction. Consequently, the regulatory permeability of our borders takes on outsized

importance to our desirability to talent, our attractiveness to industry, and our ability to offer economic opportunities to our youth.

If Vermont tolerates undue barriers to occupational licensure and market participation, small competitive disadvantages will be amplified by small size, with predictable effects: The working-age population we desperately need to support our economic and social institutions will defect to larger markets, retarding entrepreneurship, compounding rural depopulation, and undermining the competitive advantages we treasure, such as our strong college and university system, attractive natural environment, and unparalleled recreational opportunities. Those assets matter, but they matter only to people for whom it is economically rational to come here to work or operate a business.

b. Current Licensing Framework

Vermont's licensing framework reflects significant recent efforts at streamlining and consolidation. Statutes regulating the professions and occupations are consolidated in Title 26 of the Vermont Statutes Annotated. The Legislature created the Office of Professional Regulation (hereinafter, OPR or "the Office") to organize and administer occupational and professional licensing across 47 enumerated occupational fields,¹ representing a majority of Vermont's licensed workforce.² 3 V.S.A. § 122, 123. Regulation under OPR's umbrella is accomplished

¹ See <https://legislature.vermont.gov/statutes/section/03/005/00122> for the text of 3 V.S.A. § 122, identifying the 47 occupational categories under OPR's umbrella.

² Certain fields remain outside the umbrella. For example, teachers are regulated by the Agency of Education, and plumbers, electricians, and certain tradespeople are regulated by the Department of Public Safety. Legislative policy has favored consolidation of occupational licensing at OPR, most recently by transferring existing regulation of potable water supply and wastewater system designers and pollution abatement facility operators from the Department of Environmental Conservation to OPR.

through two models: one based on traditional boards, the other involving direct regulation by State officials with the advice of appointed advisors from regulated fields.

In board-model regulation, OPR provides administrative and legal support to Boards of gubernatorial appointees, which regulate occupations within their jurisdiction as agencies within an agency. The board model prevails among the oldest programs and those tending toward technical or scientific expertise, such as architecture, nursing, dentistry, pharmacy, accountancy, security services, and real-estate brokerage. But board-model regulation has fallen out of favor as the hazards of regulation by market participants have become more apparent to policymakers.

In more modern, advisor-model regulation, the Director of Professional Regulation, a permanent public servant who serves at the pleasure of the elected Secretary of State, directly administers occupational-regulatory programs with OPR staff, guided by the non-binding advice of appointed professionals from relevant fields. All regulatory programs since 1997 have been built on the advisor model.³ Because the advisor model offers more flexibility and administrative efficiency with lower risk of regulatory capture, OPR recently has promoted, and the General Assembly has supported, statutory conversions of particular professional-regulatory authorities from board-model to advisor-model regulation.

Vermont is not an active participant in interstate licensing compacts, but that is certain to change, as explained in the project design set out below.

OPR provides active state supervision to boards of market participants. The Director is charged with “actively monitor[ing] the actions of boards attached to the Office and [ensuring]

³ A Board of Allied Mental Health Professionals was created by 1997, No. 40, § 51 in an effort to unify regulation of atomized clinical-counseling professions.

that all board actions pursued are lawful, consistent with State policy, reasonably calculated to protect the public, and not an undue restraint of trade.” 3 V.S.A. § 123(i). The Director is empowered to stay any Board action he or she finds inconsistent with those standards. *Id.*⁴

OPR also serves as Vermont’s sunrise and regulatory-review (in most states denominated “Sunset”) authority. “Prior to review ... and consideration by the General Assembly of any bill to regulate a profession or occupation,” OPR is to prepare for the Legislature a preliminary, written assessment of whether a “request for regulation meets the criteria set forth in [26 V.S.A. § 3105(a)].” *Id.* § 3105(d).

It is the policy of the State of Vermont that regulation be imposed upon a profession or occupation solely for the purpose of protecting the public. The General Assembly believes that all individuals should be permitted to enter into a profession or occupation unless there is a demonstrated need for the State to protect the interests of the public by restricting entry into the profession or occupation. If such a need is identified, the form of regulation adopted by the State shall be the least restrictive form of regulation necessary to protect the public interest. If regulation is imposed, the profession or occupation may be subject to review by the Office of Professional Regulation and the General Assembly to ensure the continuing need for and appropriateness of such regulation.

--26 V.S.A. § 3101 (subsection labels omitted; emphasis added).

Notably, OPR’s regulatory-review authority is not limited to OPR programs, which it may review *sua sponte*. “The Office may review a regulatory law that is within its jurisdiction, and shall review *any regulatory law within or outside its jurisdiction upon the request of the House or Senate Committee on Government Operations*,” except that OPR is prohibited from reviewing regulation by the Agency of Education. 26 V.S.A. § 3104 (emphasis added).

c. Prior Involvement in Licensing Review and Reform

Historically, OPR has used its chapter-57 authority effectively in respect to sunrise review, exhibiting many of the organizational and analytical capacities required successfully to

⁴ Active state supervision of boards of occupational-licensing boards is a product of 2017, No. 48, § 1 (eff. July 1, 2017), Vermont’s legislative response to the holding of the United States Supreme Court in *North Carolina State Board of Dental Examiners v. F.T.C.*, 135 S. Ct. 1101, 1106, 191 L. Ed. 2d 35 (2015).

execute the projects herein proposed. In January, 2016, the Office issued a *Preliminary Sunrise Assessment* of proposals to license massage therapists, finding that those proposals failed all policy tests for justifying new occupational regulation.⁵ In February, 2017, the Office issued a *Preliminary Sunrise Assessment* of proposals to license art therapists as a unique category of clinical-counseling professional, finding that those proposals sought gratuitous duplication of regulatory functions that also failed policy tests for justifying new licensure in the field, but also finding that unduly rigid, existing regulatory requirements for mental-health counselors were leading to arbitrary exclusion of qualified aspirants to licensure, including counselors with academic specialization in art therapy.⁶

OPR's most conspicuous recent success at occupational-licensing reform is found in its *Emergency Rules for Drug and Alcohol Counselors*. In response to Governor Scott's Executive Order No. 02-17, calling for review of existing State mental health and drug and alcohol addiction laws and regulations, OPR convened stakeholder hearings and in a period of months developed reformed licensing requirements that met with nearly unanimous public and stakeholder support. On October 13, 2017, we adopted and implemented those rules, provoking immediate improvement in labor-market fluidity, and providing urgently needed treatment to Vermonters suffering with drug dependence.⁷

d. Focus Areas

⁵ The Sunrise Report on Massage Therapy is available at <https://www.sec.state.vt.us/media/733234/mt-sunrise-report-opr-2016-1-5.pdf>.

⁶ The Sunrise Report on Art Therapy is available at: <https://www.sec.state.vt.us/media/820689/art-therapy-sunrise-report.pdf>.

⁷ A detailed overview of the reforms is available at: <https://www.sec.state.vt.us/media/879126/ladc-overview-v10-13-17.pdf>.

This project will focus on Vermont professions ripe for substantive and immediate reform following several years of focused legislative efforts to “unlock” rigid, statutory barriers to mobility and market entry. Sub-baccalaureate professions and occupations within the scope of the project are:

1. Barbers, cosmetologists, estheticians, and nail technicians regulated by the soon-to-be dissolved Board of Barbers and Cosmetologists; selected because recent legislative action facilitates comprehensive rule re-drafting and challenges us to identify evidence-based core competencies.
2. Security guards and private investigators regulated by the Board of Private Investigative and Security Services; selected because the State is poised to implement turn-key reforms, and because security services are ripe for integration with military-training equivalence.
3. Pharmacy technicians regulated by the Board of Pharmacy; selected because existing requirements are conspicuously irrational and misaligned to State licensing policy.
4. Registered nurses, practical nurses, and nursing assistants regulated by the Board of Nursing; selected because stakeholder consensus makes possible State participation in an interstate licensing compact, and military nursing classifications can and should be equated to civilian training.
5. Funeral directors regulated by the soon-to-be dissolved Board of Funeral Service; selected because of unique opportunities to create an urgently-needed alternative to a burdensome, sclerotic, and collapsing national training and examination model.
6. Real estate brokers and salespeople; selected for top-to-bottom regulatory review because of conspicuously unnecessary complexity and dysfunction within the existing regulatory structure.

(2) Project Design

a. Approach for Review and Analysis

Because Vermont is among a fortunate minority of states to have very clear legislative policy on occupational licensing, mechanisms for review and analysis are particularly concrete and rooted directly in criteria set out at 26 V.S.A. § 3101-3107 (ch. 57).⁸

Federal support will allow OPR to employ the chapter-57 analytical structure and work processes that have driven sunrise review, but for the first time, to turn these highly-effective tools toward analysis and reform of *existing* programs. With a team of only two administrative attorneys in its General Counsel division, OPR simply has not been resourced to leverage its review authority across multiple programs in a particular year. Consequently, our review and reform work has tended toward repelling the imposition of unjustified *new* occupational licensing, drawing attention away from the perhaps-more-important task of reviewing and reforming operating programs. It is here where federal funds have transformative potential for our capacity to drive reform. Following a focused, five-year legislative and litigation effort that modernized Vermont's occupational-regulation governance structures, we are poised to directly implement reformed regulations that eliminate unnecessary barriers to entry, promote the rehabilitation of persons who otherwise would be barred from occupational licensure as a result of irrelevant past transgressions, recognize relevant military training,⁹ and promote license portability.

⁸ Space limitations prevent a full recitation of the chapter's standards and criteria. Reviewers are encouraged to consider the chapter text, available at <https://legislature.vermont.gov/statutes/fullchapter/26/057>, which is the fruit of OPR efforts since 2013 to codify a modern regulatory-review process. OPR-supported legislation directly affecting the chapter includes No. 60, § 16; 2013, No. 142 (Adj. Sess.), § 43; 2015, No. 156 (Adj. Sess.), § 1.

⁹ Act 119 of 2018 establishes equivalence of particular military nursing classifications to civilian license qualifications.

Resources also will be devoted to implementation of one interstate licensing compact and analysis and preparation to participate in another. With OPR's support, the General Assembly this session enacted Act 115 of 2018, committing the State, including OPR's Board of Osteopathic Physicians and Surgeons, to joining the Interstate Medical Licensure Compact. This session's professional-regulation bill, also passed by the Legislature and awaiting the Governor's signature, directs OPR to assess whether Vermont should join the Interstate Nurse Licensure Compact. Successful implementation requires preparation of compact-compatible administrative mechanisms to check criminal backgrounds and cross-report discipline.

b. Stakeholder Engagement and Outreach

Stakeholder engagement and outreach are required and prescribed by State statute. "The Office shall give adequate notice to the public, the applicable regulatory entity, and the appropriate professional societies that it is reviewing a particular regulatory law and, as applicable, that regulatory entity. Notice to the regulatory entity and the professional societies shall be in writing." 26 V.S.A. § 3104(c)(1). "The Office shall seek comments and information from the public and from members of the profession or occupation. It also shall give the regulatory entity a chance to present its position and to respond to any matters raised in the review." *Id.* § 3104(c)(3). The Office is guaranteed the cooperation and assistance of the regulatory entity under review, as well as other State agencies, the Auditor, Attorney General, and Joint Fiscal Committee. *Id.* § 3104(c)(2)&(4).

c. Development of Recommendations for Reform

OPR review and reform efforts capitalize on chapter-57 standards, described above in subsection (b), and Administrative Procedure Act standards and procedures, described below in

subsection (d), to accomplish inclusive development of policy recommendations. Public notice, public hearings, and online solicitation of commentary from interested parties are integral to the execution of a functional review process, and in Vermont, they are mandated.

Competent review processes will employ not only best practices identified in “The State of Occupational Licensing: Research, State Policies and Trends,” but also credible, peer-reviewed economic literature, as well as the considerable recommendations developed within the 2015 White House Council of Economic Advisers White Paper, *Occupational Licensing: A Framework for Policymakers*¹⁰. OPR leadership, as well as the Chairs of relevant Vermont legislative committees, are oriented to this material from past sunrise reviews and legislative campaigns.

Finally, OPR is aware that workers and service members can respond favorably to licensing reforms only if they are aware of those reforms. For this reason, a significant part of our project will not only develop and implement recommendations, but also evaluate public awareness and the quality of our public communications and business processes. For example, we can alter online application workflows to screen for military service or marriage to an active-duty service member. Where an applicant reports a relevant status, the application workflow can actively redirect an applicant to information about existing opportunities, for example, for recognition of military training, or for expedited license issuance. Similarly, where compact licenses are available—as they likely will be in nursing at the close of this project—application workflows can actively suggest consideration of enhanced, compact licenses.

¹⁰ Available online at:

https://obamawhitehouse.archives.gov/sites/default/files/docs/licensing_report_final_nonembargo.pdf

d. Partnership Strategy

The Vermont Administrative Procedure Act, 3 V.S.A. §§ 800, *et seq.*, ensures that rulemaking projects, including the reform efforts herein described, are executed transparently and inclusively, with full participation of partner agencies in State and federal government, industry and professional associations, affected licensees, and training providers. One interagency committee and one legislative committee oversee rule development and enforce compliance with documented strategies to maximize public participation. Among state agencies, this project implicates coordination with the Vermont Department of Health, Department of Labor, Agency of Education, Agency of Human Services, Department of Public Safety, and the Vermont State Colleges system. Among stakeholder groups, this project implicates cooperation and input from the Vermont Medical Society, the Vermont Nurses Association, the Vermont Association of Hospitals and Health Systems, the Vermont Funeral Directors Association, the Vermont Pharmacists Association, the National Council of State Boards of Nursing, and the National Association of Boards of Pharmacy. Stakeholders are approached individually, by electronic mail, and through public notices. Rulemaking and review websites are established for each project, public hearings are set, and dedicated email addresses are established to receive commentary on each project. We also look to partner with other states, such as Colorado, that have innovated in areas we are exploring.

See the APPENDIX for (1) a related work plan and (2) letters of support.

(3) Expected Outputs and Outcomes**a. Proposed Outputs**

Project outputs responsive to the workforce issues identified in the Statement of Need should be tangible and measurable at intervals of one, three, and five years from project initiation. Tangible outputs will be found in the final adoption of reformed administrative rules for each affected category of licensure, as well as published, public communications advising applicants and potential applicants for licensure, in plain language, of essential requirements for licensure. Measurable labor-market outcomes will be operationalized as increased inflow and outflow of licensees, lower net costs of regulatory compliance for licensees, shorter waiting periods for license issuance, lower student-loan burden among new occupational licensees, higher ratios of Vermont residents aspiring to licensure securing training opportunities in Vermont, and fewer employers reporting unmet demand for occupational labor. Best practices employed in accomplishing these reforms should be exportable to future rulemaking and reform.

Regulatory programs concerning barbers, cosmetologists, estheticians, and nail technicians should be implemented in a manner that approximately halves the mandatory training period for these professions, with commensurate reduction in net expense of market entry. Restrictions on the locations and circumstances in which services may be performed should be eliminated unless clearly necessary to address demonstrable risks to the public health, safety, and welfare. We should also demonstrate regulatory streamlining through the most basic of measures: Administrative rules governing the beauty professions should be objectively shorter and should not exceed fifty percent of the length of the current Administrative Rules of the Board of Barbers and Cosmetologists found at CVR 04-030-030. Following a major statutory reform package for these occupations,¹¹ OPR will use grant funds to gather stakeholders to articulate essential health-and-safety requirements for licensure, streamline requirements for

¹¹ H.684 of 2018 has passed both houses of the Legislature and is awaiting the Governor's signature at this writing.

beauty schools, and adopt reformed administrative rules consistent with input received in rulemaking. At year one, rules should be adopted. At year two, objective metrics of performance should be assessed and should illustrate greater labor market fluidity. At year three, the same year-two metrics should be re-assessed, and student-loan burden to new marketplace entrants should be measurably reduced from pre-reform levels.

Reforms relevant to private investigators and security guards should be substantially implemented and complete at year one, because OPR and the Board of Private Security Services developed a comprehensive reform plan that radically simplifies licensure, drafting reformed administrative rules that can be filed upon the effective date of legislation passed this session, July 1, 2018. The project can and should view the outreach and implementation as a lead, bellwether project, from which can be gleaned lessons applicable to less developed efforts.

Board of Pharmacy regulation of pharmacy technicians should be accomplished through a complete strike-and-rewrite revision of the Board's administrative rules. A reformed pharmacy-technician licensure program should abandon reliance upon a narrow set of third-party gatekeepers. Of the two in current use, both assert authority to exclude from certification persons with criminal histories, and neither makes any effort to align exclusion criteria with State policy that strongly favors rehabilitation and licensure of applicants whose past transgressions do not bear on current fitness to practice. State officials, employing known procedures and applying duly enacted administrative policies, should police character and fitness. Unaccountable gatekeeping bodies applying inconsistent policies should not. Additionally, reformed administrative rules for pharmacy technicians should abandon one-size-fits-all mandates that prepare trainees to work in retail settings while ignoring the more public-safety-sensitive work of technicians in hospitals and high-risk compounding pharmacies. Occupational competencies

developed in training should align with those actually demanded by the market. Reformed rules for pharmacy technicians should be short, simple, universal in application without gratuitous “grandfathering” of incumbents, and responsive to and accepting of employer-based training closely matched to particular work contexts. At year one, stakeholder groups should have convened and should have substantially completed deliberation on reformed administrative rules. Early in year two, or even before, reformed administrative rules should be adopted. By year three, labor-market impacts should be assessed, with available metrics demonstrating shorter application times and increased inter-employer portability.

In nursing, year-one outputs include a report to the Vermont General Assembly on the feasibility of joining the Nurse Licensure Compact; year-two outputs include legislative action consistent with Compact entry; and if the Legislature supports compact entry, year-three outputs include actual implementation and issuance of compact licenses.

In funeral service, year-one outputs include codification of an alternative path to licensure that permits in-state training for licensure at minimal expense; year-two outputs include operation of a functional and efficient apprenticeship program to match that program; year-three outputs should include a measurable reduction in student-loan debt among new market entrants and reduced reports of labor-market shortage among operating funeral service establishments.

Finally, OPR should deliver its first comprehensive, chapter 57 regulatory reviews of programs under the Vermont Real Estate Commission—the equivalent to a sunset review under State law. Occupational regulation of real estate brokerage is a notorious lever for anticompetitive and protectionist workforce policy, and for rent seeking by ancillary providers. Chapter 57 review should be accompanied by concrete proposals for legislative reform of the statutes governing the practice of real estate brokerage found at Title 26, ch. 41.

(4) Organizational, Administrative, and Fiscal Capacity**a. Organizational Capacity**

OPR possesses the institutional experience and organizational capacity to execute the programmatic, fiscal, and administrative functions necessary to achievement of project goals set out above. OPR project leadership will be headed by agency General Counsel experienced in rule development and compliance with the transparency and accountability requirements of the Vermont Administrative Procedure Act. General Counsel-led rulemaking projects undertaken in the past three years have successfully gathered stakeholders, using diverse inputs to draft and implement reformed, common-format administrative rules for OPR programs in forestry, engineering, and most notably, the Emergency Rules for Alcohol & Drug Counselors described above.

General Counsel will have the support of OPR's Senior Planner & Policy Analyst (for practical purposes, our resident statistician) in quantitative modeling and analysis of the efficacy of reform proposals. As we have in the recent past, OPR will leverage the support of the Governor's Office to coordinate participation among sister agencies within the executive branch, to include the Department of Labor, the Agency of Education, the Vermont State Colleges System, the Department of Health, and the Department of Financial Regulation. Small size is an advantage in inter-agency coordination, as one of these agencies is found a floor below OPR, all but one is within twelve miles of our headquarters, and all can be reached within a forty minute drive. We have nearly immediate access to our partners in State government, and those non-governmental stakeholders without a presence in the capitol nonetheless find it easy to reach us in, Montpelier, which is located near the geographic center of our small state.

b. Administrative Capacity

Though OPR is a lean administrative agency—a staff of 37 manages a licensee population of more than 60,000, across 47 statutory program categories and hundreds of license types—it is attached to the larger Office of the Secretary of State and therefore able to call upon the administrative services of the Secretary’s business office in matters requiring travel, procurement, fund management, and IT support. Staff have graduate credentials in business administration and accountancy and are amply prepared by training and experience to manage complex projects and track grant funds.

c. Financial and Performance Reporting Systems

The Secretary of State’s business office is experienced in the administration of federal and philanthropic grant funds and related reporting. We follow the State of Vermont financial and procurement processes as well as utilization of the automated PeopleSoft accounting system. Our last audit by a Federal Agency was OMB A-133 Single Audit dated June 30, 2017, with no findings related to our Office. Our last Financial Statement Audit was December 27, 2016, for the Fiscal Period 2016 by KPMG LLP. We currently administer two federal grants and are familiar with, and follow, the reporting requirements. Our automated accounting system:

- Identifies receipt and expenditure of programs separately for each grant;
- Provides recording of expenditures for each grant by the component project and budget cost categories as shown in the approved budget;
- Provides for the recording of cost sharing for each project, and ensures that documentation is available to support recorded cost sharing;
- Includes budgetary controls that precludes incurring obligations in excess of total funds available for a grant; and
- Automated timesheets submitted by an employee can be specifically identified to a particular cost objective.

The State of Vermont Office of Professional Regulation (OPR) is Vermont's primary regulatory authority for occupational and professional licensing, responsible for policy development and administration of forty-seven regulatory programs and hundreds of license types. OPR is also Vermont's sunrise and regulatory-review authority, with close relationships to legislative committees of jurisdiction, a history working effectively with stakeholders, and the ability to drive reform through annual departmental legislation and administrative rulemaking.

OPR is empowered actively to supervise the actions of boards attached to its regulatory programs and to commence regulatory reforms *sua sponte* in relation to any program under its umbrella. Effective July 1, 2018, OPR will become the adopting authority for all administrative rules for its licensing programs, including those attached to boards of market participants. This places the agency in a unique position to leverage administrative rulemaking to improve regulatory consistency, streamline licensing requirements, eliminate gratuitous barriers to market entry, drive evidence-based policymaking, promote interstate mobility and licensure-compact participation, and codify processes for recognizing military experience where equivalent to civilian training toward license eligibility.

OPR seeks Federal Domestic Assistance of \$450,000 to facilitate regulatory reviews and administrative rule reforms aimed at reducing unnecessary, arbitrary, or inconsistent barriers to marketplace entry for thousands of Vermont licensees. Vermont is the beneficiary of uncommonly clear legislative policy on occupational licensing, focused intently upon limiting occupational licensing to those fields where licensure is genuinely necessary to protect the public health, safety, and welfare. Where regulation of a field is necessary, Vermont law ordains that it must take the least intrusive form possible, after consideration of non-regulatory alternatives.

Owing to limited staffing resources, OPR analysts and attorneys historically have been obligated to focus on legislative relations and sunrise analysis, with little remaining capacity to leverage reform authority toward review of existing programs. Federal Domestic Assistance would enable the State to dramatically accelerate reforms for which OPR has prepared structurally across the past five years.

The agency proposes to completely rebuild, based upon minimal, evidence-based core competencies, the regulation of barbers, cosmetologists, and other beauty professionals. For registered nurses, OPR proposes to execute a legislative instruction to study participation in the Nurse Licensure Compact, and if benefits exceed costs, to make structural and programmatic adjustments consistent with Compact participation. For security guards and private investigators, OPR proposes to capitalize on legislative liberalization enacted in 2018 by implementing reformed administrative rules, already prepared in partnership with stakeholders, that will radically simplify the licensure process, reduce the number of license types, and establish much more reasonable requirements for market entry. For pharmacy technicians, OPR proposes to study, draft, and implement reformed regulations capable of abandoning one-size-fits-all mandates in favor of simple requirements for task-specific training. For funeral-service professionals, OPR proposes to leverage recent legislative authorization to create an alternative path to licensure that allows trainees to qualify for licensure without leaving home, at a fraction of the cost of traditional funeral school. Finally, a full regulatory review of real-estate-broker regulation is proposed.

Attachment 5, Work Plan

Activity		Implementer(s)	Costs		Time	
Activity #1	Regulatory reform of barbers, cosmetologists, estheticians, and nail technicians	Vermont OPR General Counsel and Project team	Strategy Total: Year 1: Year 2: Year3:	\$150,000 per year, inclusive of all Activities & Deliverables.	Start Date: End Date" Milestones"	7/1/2018 - 6/30/2021: Year One, engage stakeholders, adopt rules. Year Two, assess rules impact, Year Three Re-assess impact
Deliverable #1	Decrease training period, reduced expense to entry, relevant restrictions to location and circumstances of practice, streamlines administrative rules	Vermont OPR General Counsel and Project team	Strategy Total: Year 1: Year 2: Year3:	\$150,000 per year, inclusive of all Activities & Deliverables	Start Date: End Date" Milestones	7/1/2018 - 6/30/2021: Year One, revised rules, Years Two & Three, rules assessment.
Activity #2	Regulatory reform of private investigators and security guard	Vermont OPR General Counsel and Project team	Strategy Total: Year 1: Year 2: Year3:	\$150,000 per year, inclusive of all Activities & Deliverables.	Start Date: End Date" Milestones	7/1/2018 - 6/30/2019: Year One, revise rules, elaborate best practices.

Deliverable #2	Comprehensive reform plan, simplified licensure, revised administrative rules	Vermont OPR General Counsel and Project team	Strategy Total: Year 1: Year 2: Year3:	\$150,000 per year, inclusive of all Activities & Deliverables.	Start Date: End Date” Milestones	7/1/2018 – 6/30/2021: Year One, final rules, best practices outline.
Activity #3	Regulatory reform of pharmacy technicians	Vermont OPR General Counsel and Project team	Strategy Total: Year 1: Year 2: Year3:	\$150,000 per year, inclusive of all Activities & Deliverables.	Start Date: End Date” Milestones”	7/1/2018 – 6/30/2021: Year One, convene stakeholder workgroups, draft rules, Year Two, adopt rules, Year Three, assess labor-market application times and inter-employee portability.
Deliverable #3	Strike and rewrite administrative rules, reform criminal history criteria, expand definition of retail setting to include hospital, compound and other settings, responsive employer training,	Vermont OPR General Counsel and Project team	Strategy Total: Year 1: Year 2: Year3:	\$150,000 per year, inclusive of all Activities & Deliverables.	Start Date: End Date” Milestones	7/1/2018 – 6/30/2021: Year One, draft rules, Year Two, revised rules, Year Three assessment.

Activity #4	Regulatory reform of nursing	Vermont OPR General Counsel and Project team	Strategy Total: Year 1: Year 2: Year3:	\$150,000 per year, inclusive of all Activities & Deliverables.	Start Date: End Date" Milestones"	7/1/2018 - 6/30/2021: Year One, complete report, Year Two, statute revision, Year Three, implement
Deliverable #4	Conduct report on feasibility of joining Nurse Licensure Compact, legislative impact, potential implementation	Vermont OPR General Counsel and Project team	Strategy Total: Year 1: Year 2: Year3:	\$150,000 per year, inclusive of all Activities & Deliverables.	Start Date: End Date" Milestones	7/1/2018 - 6/30/2021: Year One, feasibility report, Year Two, statute, Year Three, issue compact licenses
Activity #5	Regulatory reform of funeral service profession	Vermont OPR General Counsel and Project team	Strategy Total: Year 1: Year 2: Year3:	\$150,000 per year, inclusive of all Activities & Deliverables.	Start Date: End Date" Milestones"	7/1/2018 - 6/30/2021: Year One, codify alternate path to licensure, Year Two, Operationalize apprenticeship program, Year Three, evaluate debt and labor market
Deliverable #5	Codify alternate path to licensure, built on FY18 conversion from Board to Advisory model	Vermont OPR General Counsel and Project team	Strategy Total: Year 1: Year 2: Year3:	\$150,000 per year, inclusive of all Activities & Deliverables.	Start Date: End Date" Milestones	7/1/2018 - 6/30/2021: Year One, revised training program, Year Two, implement apprenticeship, Year Three, impact report

Activity #6	Regulatory reform of real estate brokerage	Vermont OPR General Counsel and Project team	Strategy Total: Year 1: Year 2: Year3:	\$150,000 per year, inclusive of all Activities & Deliverables.	Start Date: End Date" Milestones"	7/1/2018 – 6/30/2021: Year One, proposed conversation to Advisor Model, Year Two, regulatory review, Year Three, revise applicable statute and rules
Deliverable #6	Comprehensive regulatory review of Real Estate professions	Vermont OPR General Counsel and Project team	Strategy Total: Year 1: Year 2: Year3:	\$150,000 per year, inclusive of all Activities & Deliverables.	Start Date: End Date" Milestones	7/1/2018 – 6/30/2021: Year One, Board conversation, Year Two, Sunset report, Year Three, revised regulation.

Please Note:

- Applicants may replicate this chart in order to submit information on all activities and deliverables proposed during the period of performance.
- Applicants should provide the name of the institution engaged in each activity or producing each deliverable, including any partner organizations, if applicable.

PHILIP B. SCOTT
Governor



State of Vermont
OFFICE OF THE GOVERNOR

May 10, 2018

The U.S. Department of Labor
Employment and Training Administration, Office of Grants Management
Attention: Ms. Melissa Abdullah, Grant Officer
Reference FOA-ETA-18-06
200 Constitution Avenue, NW, Room N4716
Washington, DC 20210

Dear Ms. Abdullah:

I write to express my support for the Office of Professional Regulation's application for Department of Labor grant funds for State Occupational Licensing Review and Reform.

My office recognizes the critical importance of occupational licensing reform to our efforts to grow our labor force and economy. For example, we recent enacted a new law in partnership with the Secretary of State's Office that gives appropriate recognition of education, training, or service completed by a member of the U.S. Armed Forces toward the requirements of professional licensure through a greater path to licensing reciprocity in high demand sectors. These include registered nurse, licensed nursing assistant, inspection mechanic, culinary specialist, electrician and plumber. In each year of my Administration, I have worked closely with legislative leaders, industry, agency heads, and Vermont's public and private educational institutions to explore ways to make Vermont more attractive and affordable for our working-age population. As we confront the challenges of an aging population and shrinking workforce, it is imperative that we identify and eliminate unnecessary barriers to market entry for young people entering our professional workforce, out-of-state licensees interested in living and working in Vermont, the families of service members transferred to our State, and military veterans returning to the civilian workforce.

Additionally, I have directed State agencies and task forces to prioritize workforce development and occupational licensing reform. I am particularly proud of the inter-agency work provoked by Executive Order No. 02-17 and related direction from my office to review existing State mental health and drug and alcohol addiction laws and regulations. This led within a year to the adoption of emergency rules for clinical alcohol and drug counselors, widening avenues to licensure for professionals badly needed in our state, while reducing costs to the Vermonters who serve others in need.

I look forward to lending my support, and the cooperation of Vermont's executive agencies, to licensing review and reform efforts across regulated professions. Lead contact from my office is Kendal Smith who can be reach at kendal.smith@vermont.gov.

Sincerely,

Philip B. Scott
Governor



**The Council
of State
Governments**

May 14, 2018

Melissa Abdullah
U.S. Department of Labor
Employment and Training Administration, Office of Grants Management
Reference FOA-ETA-18-06
200 Constitution Avenue NW, Room N4716
Washington, DC 20210

Dear Ms. Abdullah:

On behalf of The Council of State Governments, I am writing to express my support of the Vermont Office of Professional Regulation's application for Department of Labor grant funds for State Occupational Licensing Review and Reform. Vermont has been a leader in adopting good policies and practices related to occupational licensing, particularly around the creation of newly regulated professions and the assessment of existing professions.

CSG has been providing technical assistance to interested states regarding the role of sunrise and sunset commissions in occupational licensing review and reform. States without sunrise and sunset provisions that participate in the current licensure consortium have shown interest in implementing these commonsense mechanisms designed to first thoughtfully assess the need for licensure—sunrise—and then to examine the continued existence for licensure requirements—sunset. Vermont's Deputy Secretary of State Chris Winters, who is also a proposed Panel of Experts member, provided excellent presentations about Vermont's sunrise review at the state consortium meeting in Tucson, Arizona, in 2017, and in a state team meeting with Wisconsin.

Vermont has shown leadership and innovation in professional and occupational licensing reform and, in many ways, is leading the way for other states. CSG plans to continue using Vermont as an example and a resource going forward. Awarding Vermont a grant would allow them to accelerate their progress. Vermont is poised to have a significant ripple effect on other states.

In his presentations, Winters has noted that Vermont's sunrise statute gives his department the opportunity to conduct a comprehensive, fact-based approach to licensure, while at the same time empowering legislators to make informed decisions about licensure. Sunset provisions trigger the end of state regulatory boards, commissions and agencies unless re-established by an act of the legislature.

CSG fully supports Vermont and sees the state as a valuable partner going forward, and we recommend that you grant their application for funding.

Sincerely,

David Adkins
CSG Executive Director/CEO



State of Vermont
Office of the Secretary of State
128 State Street
Montpelier, VT 05633-1101

[phone] 802-828-2363
[fax] 802-828-2496
www.sec.state.vt.us

James C. Condos, Secretary of State
Christopher D. Winters, Deputy Secretary

May 11, 2018

The U.S. Department of Labor
Employment and Training Administration, Office of Grants Management
Attention: Ms. Melissa Abdullah, Grant Officer
Reference FOA-ETA-18-06
200 Constitution Avenue, NW, Room N4716
Washington, DC 20210

Dear Ms. Abdullah:

I write to express my enthusiastic support for the Office of Professional Regulation's application for Department of Labor grant funds for State Occupational Licensing Review and Reform.

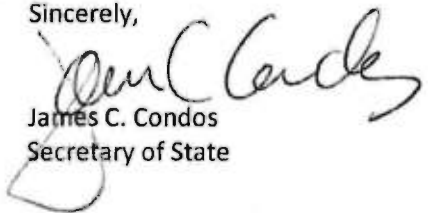
Throughout my tenure as Secretary of State, I have directed the Office of Professional Regulation to work with the Legislature to cut red tape in occupational licensing, never forgetting that regulation must focus resolutely on the protection of the public health, safety, and welfare. We have built a powerful, bipartisan coalition of diverse stakeholders from government, industry associations, commerce, and advocacy organizations, all eager to reconceive professional licensing as a limited tool with risks as well as benefits.

OPR has worked closely with executive branch agencies and counterpart agencies in other jurisdictions to drive regulatory reform through evidence-based analysis and relentless re-evaluation of program necessity and structure.

Done right, occupational regulation can offer the public safety and confidence in professional service providers. But where occupational regulation comes to serve other interests, it can impede economic development, retard innovation, and strangle opportunities for upward mobility. My Office is excited to be part of an important, national effort to review and reform professional regulation in order to leave young Vermonters occupational and vocational opportunities that match their dreams and abilities.

I am grateful for your consideration of the State's grant application and confident that Federal funds would unlock policy reforms we have long hoped to implement, on a schedule that would be unattainable without federal support.

Sincerely,


James C. Condos
Secretary of State

 **VERMONT**



**STATE OF VERMONT
SENATE CHAMBER
115 STATE STREET
MONTPELIER, VT
05633-5201**

The U.S. Department of Labor
Employment and Training Administration, Office of Grants Management
Attention: Ms. Melissa Abdullah, Grant Officer
Reference FOA-ETA-18-06
200 Constitution Avenue, NW, Room N4716
Washington, DC 20210

May 10, 2018

Dear Ms. Abdullah:

In Vermont, the Senate Committee on Government Operations has primary jurisdiction over legislation concerning professional and occupational licensing. As Chair of the Committee, and speaking for the Committee, we are pleased to offer our support for the Office of Professional Regulation's application for grant funds from the Department of Labor to support ongoing efforts around occupational licensing.

Each year, our Committee works with OPR on a comprehensive professional-regulation bill, fondly referred to by the General Assembly as the OPR Bill. We continually work to implement reforms that reduce barriers to market entry, improve interstate mobility among licensed professionals, and eliminate regulatory burdens that protect market incumbents at the expense of consumers. Our commitment as a State, as a General Assembly, and as a Committee, is to have an efficient and effective professional licensing policy that serves the needs of the professional and protects consumers without unnecessary regulatory burdens.

Licensing reform has many benefits; it can allow for upward mobility for our citizens, provide real protection for consumers, and serve the needs of professionals as well.

Unlike what we have heard happens in other states, professional regulation in Vermont is truly a bipartisan effort. Each step the General Assembly takes to advance our professional regulation guidelines is to benefit our state.



Grant funds would enable us to launch, review and reform efforts more quickly than otherwise would be possible because of lack of resources. As policymakers interested in these issues, we are thrilled at the prospect of accelerating needed modernization of our licensing structure, and confident that federal funds contributed to this effort will translate almost immediately to informed public policy that improves Vermont's economy and the lives of working Vermonters.

Sincerely,

A handwritten signature in cursive script that reads "Jeannette White".

Senator Jeannette White

Chair, Senate Government Operations
Committee



STATE OF VERMONT
HOUSE OF REPRESENTATIVES
115 STATE STREET
MONTPELIER, VT
05633-5201

The U.S. Department of Labor
Employment and Training Administration, Office of Grants Management
Attention: Ms. Melissa Abdullah, Grant Officer
Reference FOA-ETA-18-06
200 Constitution Avenue, NW, Room N4716
Washington, DC 20210

May 9, 2018

Dear Ms. Abdullah:

As Chair of the House Committee on Government Operations, I work each year with Vermont's Office of Professional Regulation on statutory reforms to our State's licensing structure. I support the application of the Office of Professional Regulation for federal funds, offered through your Department, to support a focused analysis of occupational licensing review and reform.

Our Committee has directed its recent efforts at adding flexibility to licensing requirements for working Vermonters, military veterans, and young people entering the workforce. The challenge facing us is not a lack of political will, but a lack of resources to execute the serious analysis and laborious rule revisions needed to turn good ideas into practical policy. Federal funding for these projects would be transformative. I and my colleagues are grateful for your consideration of the Office's grant proposal.

Sincerely,

A handwritten signature in black ink that reads "Maida F. Townsend". The signature is written in a cursive style with a large initial "M".

Maida F. Townsend
Chair, House Committee on
Government Operations

Attachment 2, Budget and Budget Justification

OPR's budget utilizes four distinct resource areas to accomplish the six focus areas; 1) contracted regulatory capacity, 2) dedicated staff time, 3) stakeholder meetings, and 4) consulting with relevant state experts. These resources support the six activity areas by providing appropriate expertise in regulatory review, reform, administrative support and leadership. As will be seen on the Project Work Plan, these resources are not broken out between activity areas. By the nature of the project, regulatory review activities will intermingle as they inform the development and execution of best practices, supported by a coordinated team involved in all activities. Overall, a total cost of \$150,000 per year, for a total project budget of \$450,000 will support all program activities, as described below and relevant to the Project Narrative.

Description of Line Item Costs

- a) **Personnel** – annual cost of \$33,530, based on FY19, and the same amount used for years 1, 2, & 3:
- OPR Director (Project Director) – 5% to grant = \$4,755;
 - Administrative Services Coordinator (Project Coordinator) – 5% to grant = \$2,508;
 - Senior Planner & Policy Analyst, Regulatory Review Criteria – 44.83% to grant = \$26,266; and
 - Total salary cost all three positions years 1, 2, and 3 = \$100,589.
- b) **Fringe Benefits** – annual costs are based on FY19, the same amount used for years 1, 2, and 3:

Fringe Benefits based on FY19 Budget											% Project Time	Cost to Project (Grant)
Title, Roles & Responsibilities	FICA	Retire	Health	Life Ins.	Dental	EAP	LTD	Total				
Director of the Office of Professional Regulation, Project Director	\$7,275	\$ 16,611	\$ 22,936	\$ -	\$ 1,343	\$ 30	\$ 219	\$ 48,413			5.00%	\$ 2,421
Administrative Services Coordinator, Project Coordinator	\$3,838	\$ 8,763	\$ 22,936	\$ 217	\$ 1,343	\$ 30	\$ -	\$ 37,127			5.00%	\$ 1,856
Senior Planner & Policy Analyst, Regulatory Review Criteria	\$4,482	\$ 10,236	\$ 20,180	\$ 812	\$ 247	\$ 30	\$ 134	\$ 36,121			44.83%	\$16,193
Grand Total Fringe								\$ 121,661				\$20,470

Total Fringe Benefit Cost over three years = \$61,411.

- c) **Travel** - \$6,000 per year dedicated to consulting with relevant state experts for a total of \$18,000 over three years. This line item funds four (4) individual trips per year between OPR project staff and relevant state partners. Specific interactions will be determined as a result of early regulatory review, and are likely to focus on the states who are already members of the Occupational Licensing Policy Learning Consortium (“Consortium”) formed under the Department’s grant to the NCSL and partners in 2017. Vermont OPR has a strong history of interstate cooperation and will build on that throughout the project, sharing and gaining input on best practices. Travel costs are estimated based on average staff travel for professional interaction, based on and inclusive of transportation, lodging, and meals per diem.

Travel Costs		
	Travel Cost Per Trip (estimated length of 4 days)	Annual Cost of 4 Trips
Airfare round trip	700	2,800
Lodging per trip @ \$138	552	2,208
Meals at \$32.00 per day	128	512
Incidentals, mileage(federal rate), parking, taxi, Uber, etc.	120	480
	1,500	6,000

- d) **Equipment** - \$0.00. Such additional costs are minimal or non-existent as a distinct function of normal office activities.
- e) **Supplies** - \$0.00. Such additional costs are minimal or non-existent as a distinct function of normal office activities.

- f) **Contractual** - \$75,000 per year = \$225,000 over three years. OPR will screen and hire a dedicated position to report to General Counsel and advance regulatory reform. The exact nature of the hire will be determined in the RFP process and most likely to occur with a legal or educational background.
- g) **Construction** - None.
- h) **Other** - \$15,000 per year dedicated to stakeholder meetings = \$45,000 over three years. OPR will hold 30 stakeholder meetings per year at an average cost of \$500.00 per meeting. This funding will cover:
- all notices, posting through relevant external stakeholder groups, hard copy mailings when appropriate at \$140 per meeting, \$4,200 annually, \$12,600 over three years; and
 - meeting hosting costs such as light catering (coffee, snacks) average cost per meeting for 30 people at \$360.00 per meeting, \$10,800 annually, \$32,400.00 over three years.
- This is the protocol typically employed for OPR stakeholder meetings. We expect there to be slight variation from profession to profession activity area due to different communication avenues needed to best reach stakeholders in distinct project areas.
- i) **Total Direct Charges** - \$450,000.
- j) **Indirect Charges** - \$0.00.
- k) **TOTALS** - \$450,000.