



**STATE OF VERMONT**  
JOINT FISCAL OFFICE

**MEMORANDUM**

To: Joint Fiscal Committee Members  
From: Nathan Lavery, Senior Fiscal Analyst  
Date: September 19, 2014  
Subject: Grant Request #2700, #2701, #2702, #2703

Enclosed please find four (4) items that the Joint Fiscal Office has received from the administration.

**JFO #2700** – \$97,443 grant from the U.S. Department of Agriculture to the Vermont Agency of Agriculture, Food and Markets. These funds will be used to study the economic feasibility using gas from farm anaerobic digesters as fuel for farm equipment.  
[JFO received 09/05/14]

**JFO #2701** – \$50,000 grant from Kent Whealy to the Vermont Department of Finance and Management. These funds will a portion of the cover costs associated with implementation and administration of new law that requires labeling of food produced from genetic engineering. The donated funds will be deposited in the Vermont Food Fight Fund.  
[JFO received 09/05/14]

**JFO #2702** – \$5,000 grant from Stonyfield Farm, Inc. to the Vermont Department of Finance and Management. These funds will a portion of the cover costs associated with implementation and administration of new law that requires labeling of food produced from genetic engineering. The donated funds will be deposited in the Vermont Food Fight Fund.  
[JFO received 09/05/14]

**JFO #2703** – \$1,000,000 grant from U.S. Department of Health and Human Services to the Vermont Department of Health. These funds will be used to increase access to health care services by increasing funding for loan repayment programs designed to recruit and retain primary care, dental, and psychiatry providers. This grant requires a \$1,000,000 state match that was appropriated in the FY2015 budget bill.  
[JFO received 09/05/14]

Please review the enclosed materials and notify the Joint Fiscal Office (Nathan Lavery at (802) 828-1488; [nlavery@leg.state.vt.us](mailto:nlavery@leg.state.vt.us)) if you have questions or would like an item held for legislative review. Unless we hear from you to the contrary by October 1 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

Agency of Administration

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

JFO 2703

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

|                                      |              |   |                             |              |  |
|--------------------------------------|--------------|---|-----------------------------|--------------|--|
| <b>Grant Summary:</b>                |              | This grant is to improve the health status of Vermonters by improving and sustaining their access to appropriate, high quality medical, dental and behavioral health services. \$1,000,000 is being granted over four years, which must be matched with \$1,000,000 of state or other resources, and will increase the number of primary care, dental and psychiatry providers recruited and retained to provide loan repayment incentives. |                             |              |  |
| <b>Date:</b>                         |              | August 29, 2014   |                             |              |  |
| <b>Department:</b>                   |              | Department of Health  |                             |              |  |
| <b>Legal Title of Grant:</b>         |              | Affordable Care Act – State Loan Repayment Program (SLRP)   |                             |              |  |
| <b>Federal Catalog #:</b>            |              | 93.165  |                             |              |  |
| <b>Grant/Donor Name and Address:</b> |              | Health Resources & Services Administration, 5600 Fishers Lane, Rockville, MD 20857  |                             |              |  |
| <b>Grant Period:</b>                 |              | <b>From:</b>  | <b>To:</b>                  |              |  |
|                                      |              | 9/1/2014  | 8/30/2018                   |              |  |
| <b>Grant/Donation</b>                |              | To assist with increasing the number of primary care, dental and psychiatry providers recruited and retained in Vermont.  |                             |              |  |
| <b>Grant Amount:</b>                 | <b>SFY 1</b> | <b>SFY 2</b>  | <b>SFY 3</b>                | <b>Total</b> | <b>Comments</b>                        |
|                                      | \$500,000    | \$500,000   | \$500,000                   | \$1,500,000  | This includes federal and state funds. |
| <b>Position Information:</b>         |              | <b># Positions</b>  | <b>Explanation/Comments</b> |              |  |
|                                      |              | 0   |                             |              |  |
| <b>Additional Comments:</b>          |              | State match funds will be provided through budget adjustment pursuant to Sec C.106.3(1) of Act 179 of 2014 session.   |                             |              |  |

(18)

|                                    |  |         |           |
|------------------------------------|--|---------|-----------|
| Department of Finance & Management | <b>RECEIVED</b><br>SEP 05 2014<br><b>JOINT FISCAL OFFICE</b> | 9/2/14  | (Initial) |
| Secretary of Administration        |  | 9/12/14 | (Initial) |
| Sent To Joint Fiscal Office        |  | 9/5/14  | Date      |



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

| <b>BASIC GRANT INFORMATION</b>   |   |                  |                  |                  |
|--|---|------------------|------------------|------------------|
| <b>1. Agency:</b>  | Human Services  |                  |                  |                  |
| <b>2. Department:</b>  | Health  |                  |                  |                  |
| <b>3. Program:</b>   | Rural Health & Primary Care                               |                  |                  |                  |
| <b>4. Legal Title of Grant:</b>  | Affordable Care Act - State Loan Repayment Program (SLRP) |                  |                  |                  |
| <b>5. Federal Catalog #:</b>   | 93.165  |                  |                  |                  |
| <b>6. Grant/Donor Name and Address:</b>  |   |                  |                  |                  |
| Heath Resources & Services Administration, 5600 Fishers Lane, Rockville, MD 20857  |   |                  |                  |                  |
| <b>7. Grant Period:</b>  | <b>From:</b>  | 9/1/2014         | <b>To:</b>       | 8/30/2018        |
| <b>8. Purpose of Grant:</b>  |   |                  |                  |                  |
| Increase the number of primary care, dental and pyschiatry providers recruited and retained in Vermont.                          |   |                  |                  |                  |
| <b>9. Impact on existing program if grant is not Accepted:</b>   |   |                  |                  |                  |
| N/A  |   |                  |                  |                  |
| <b>10. BUDGET INFORMATION</b>  |   |                  |                  |                  |
|  | <b>SFY 1</b>  | <b>SFY 2</b>     | <b>SFY 3</b>     |                  |
| <b>Expenditures:</b>   | <b>FY 15</b>  | <b>FY 16</b>     | <b>FY 17</b>     | <b>Comments</b>  |
| Personal Services  | \$  | \$               | \$               |                  |
| Operating Expenses   | \$  | \$               | \$               |                  |
| Grants   | \$500,000   | \$500,000        | \$500,000        |                  |
| <b>Total</b>   | <b>\$500,000</b>  | <b>\$500,000</b> | <b>\$500,000</b> |                  |
| <b>Revenues:</b>   |   |                  |                  |                  |
| State Funds:   | \$250,000   | \$250,000        | \$250,000        |                  |
| Cash   | \$  | \$               | \$               |                  |
| In-Kind  | \$  | \$               | \$               |                  |
| Federal Funds:   |   |                  |                  |                  |
| (Direct Costs)   | \$250,000   | \$250,000        | \$250,000        |                  |
| (Statewide Indirect)   | \$  | \$               | \$               |                  |
| (Departmental Indirect)  | \$  | \$               | \$               |                  |
| Other Funds:   |   |                  |                  |                  |
| Grant (source )  | \$0   | \$0              | \$0              |                  |
| <b>Total</b>   | <b>\$500,000</b>  | <b>\$500,000</b> | <b>\$500,000</b> |                  |
| <b>Appropriation No:</b>   | 3420010000  |                  | <b>Amount:</b>   | \$500,000        |
|  |   |                  |                  | \$               |
|  |   |                  |                  | \$               |
|  |   |                  |                  | \$               |
|  |   |                  |                  | \$               |
|  |   |                  |                  | \$               |
|  |   |                  |                  | \$               |
|  |   |                  | <b>Total</b>     | <b>\$500,000</b> |
| <b>Has current fiscal year budget detail been entered into Vantage? <input type="checkbox"/> Yes <input type="checkbox"/> No</b> |   |                  |                  |                  |

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

**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: \_\_\_\_\_ Agreed by: \_\_\_\_\_ (initial)

| 12. Limited Service Position Information: | # Positions | Title |
|---|-------------|-------|
|   |             |       |
|   |             |       |
|   |             |       |
| <b>Total Positions</b>                    |             |       |

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

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: <i>Harry Chan MD</i>     | Date: <i>8/6/14</i>       |
| Title: Commissioner of Health       |                           |
| Signature: <i>Diane Henry</i>       | Date: <i>8/22/14 OK'd</i> |
| Title: <i>Deputy Secretary, AHS</i> |                           |

Approved: *[Signature]* (Secretary or designee signature) Date: *09/02/14*

Check One Box:  
 Accepted *[Signature]* (Governor's signature) Date: *9/5/14*  
 Rejected

**Required GRANT Documentation**

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

(\*) 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).


**Department of Health  
Business Office**  
108 Cherry Street – PO Box 70  
Burlington, VT 05402-0070  
**HealthVermont.gov**

[phone] 802-863-7736

*Agency of Human Services*

MEMORANDUM

To: Jim Giffin, AHS CFO

From: Paul Daley, VDH Financial Director 

Re: Grant Acceptance of the Affordable Care Act – State Loan Repayment Program (SLRP) Grant

Date: 08/06/14

The Department of Health has received a grant from the United States Department of Health & Human Services, Health Resources & Services Administration, providing \$1,000,000 over four years to enable the Department to improve the health status of Vermonters by improving and sustaining their access to appropriate, high quality medical, dental and behavioral health services.

We are requesting approval to receive these funds and are enclosing: the Grant Acceptance Request (AA1), narrative summary, budget summaries, a copy of the grant award document, and a copy of the grant application.

We appreciate your support in moving this request forward. Please let me know if you have questions or need additional information. Thank you.



AUG 26 2014

Request for Grant Acceptance  
Affordable Care Act – State Loan Repayment Program (SLRP)  
Summary 07/30/14

The Department of Health has received a grant from the Department of Health & Human Services, Health Resources & Services Administration, providing \$1,000,000 over four years to enable the Department to improve the health status of Vermonters by improving and sustaining their access to appropriate, high quality medical, dental and behavioral health services.

This funding will strengthen the Department's capacity to increase the number of primary care, dental and psychiatry providers recruited and retained in the State of Vermont between 2014 and 2018 to bring all our counties up to an 'adequate' level of primary care physician ratio of 78 FTEs to 100,000 population.

Goals include: (1) using federal SLRP funds to provide loan repayment incentives of \$20,000 (\$10,000 SLRP + \$10,000 non-Federal match) at Federally Qualified Health Centers (FQHCs), Rural Health Clinics (RHCs) and our one Dental geographic HPSA; and (2) using more of our state-funded Education Loan Repayment Program (ELRP) dollars to support similar incentives for providers at private practices including primary, dental and mental health care.

The funds will be granted to the Area Health Education Centers (AHEC) to recruit and retain primary care providers, dentists and psychiatrists in Vermont.

The Health Department is hereby seeking approval to receive \$250,000 in new Federal funds in State Fiscal Year 2015. The remainder of the Federal funding will be included in the Department's future budget requests. We have attached the grant award document and a copy of the grant application.

State match funds will be provided through budget adjustment pursuant to Sec C.106.3 (1) of the Fiscal Year 2015 Appropriations Act.

landlords and tenants regarding their rights and responsibilities under the law. Particularly, the Department shall provide information to landlords renting only one or two units regarding landlord tenant law and the eviction process:

\$30,000

#### Sec. C.106.1 FLOOD-RELATED PAYMENT

(a) Appropriated from the General Fund in fiscal year 2014 to the Agency of Commerce and Community Development for a grant to Latchis Arts Inc. This grant is for payment for qualified expenditures resulting from damage caused by a federally declared disaster in Vermont in 2011 as defined in 32 V.S.A. § 5930bb(d) that would be awarded as a tax credit to an individual:

\$88,000

#### Sec. C.106.2 FISCAL YEAR 2014 ECONOMIC DEVELOPMENT TRANSFERS

(a) In fiscal year 2014, \$5,000,000 shall be transferred from the General Fund as follows to the Vermont Enterprise Investment Fund and is appropriated from the Vermont Enterprise Investment Fund as follows:

(1) \$500,000 to Vermont Economic Development Authority for loan loss reserves within the Vermont Entrepreneurial Lending Program for the purposes specified in 10 V.S.A. § 280bb as amended by Sec. F.100 of this act;

(2) \$4,500,000 for the purposes specified in Sec. E.100.5 of this act.

#### Sec C.106.3 FISCAL YEAR 2014 HIGHER EDUCATION TRUST FUND CONTRIBUTIONS

(a) In fiscal year 2014, prior to depositing any funds into the Higher Education Trust Fund pursuant to 16 V.S.A. § 2885(a)(2), of the funds that would otherwise be deposited into that Fund, the following shall take place:

(1) The sum of \$1,000,000 of the funds shall be reserved and held for use by the Vermont Department of Health as a match for a four-year federal grant for which the Department is applying that would supplement the existing Vermont educational loan repayment program for health care professionals. The funds shall be appropriated in the budget adjustment process as necessary to meet match requirements of the grant. This action is to take advantage of federal funds that will help address a shortage of medical professionals in Vermont by creating loan repayment resources. In the event that the grant cited in subsection (a) of this section is not received, the funds shall be deposited into the Higher Education Trust Fund in accordance with 16 V.S.A. § 2885(a)(2) and subdivisions (2) and (3) of this subsection.

(2) Sufficient funds shall be reserved in the General Fund Balance Reserve created under 32 V.S.A. § 308c. to ensure a balance of \$5,000,000 in this fund at the close of fiscal year 2014.

**Applicant Organization:**

Vermont Department of Health  
108 Cherry Street, PO Box 70  
Burlington, VT 05401-0070

**Project Director:**

John Olson, Chief  
State Office Rural Health & Primary Care  
(802) 951-1259; [john.olson@state.vt.us](mailto:john.olson@state.vt.us)

Vermont has a long history of progressive health care reform and increasing access to primary care. Health reform efforts have included annual appropriations to support FQHC development, free clinic support and educational loan repayment and loan forgiveness to help recruit and retain health care providers, especially in primary care, dental, nursing and psychiatry.

Partially because of these investments over the past 20 years, we have “just enough physicians, dentists and psychiatrists sprinkled throughout Vermont” to prevent us from renewing any shortage designations, or participating in the National Health Service Corps (NHSC) since the ending of ARRA funding. Yet, an aging population and primary care providers points toward a looming crisis in care. Despite continued need in many parts of Vermont, we have not been able participate in previous versions of HRSA’s State Loan Repayment Program (SLRP), until now.

This has put an incredible demand on the limited resources of our state funded Educational Loan Repayment Program (ELRP) incentives administered by the AHEC state program office at the University of Vermont’s College of Medicine, to fund recruitment and retention incentives for FQHCs, RHCs and private primary care and dental practices around the State.

In this new cycle of SLRP, the Vermont Department of Health (VDH) is the official applicant for SLRP funds, and will continue its long-standing partnership with the AHEC program office to administer both the ELRP and SLRP on similar terms. AHEC will publicize both programs, review applications, write award contracts with providers, monitor compliance and report regularly to VDH. VDH will submit periodic reports and continuation applications to HRSA as required.

SLRP will allow us to provide up to \$500,000 of new incentives each year (\$250,000 federal + \$250,000 non-federal match) to primary care, dental and mental health practices with facility-based HPSAs and dental practices in our one geographic-based dental HPSA.

Our goal with this program is increase the number of primary care , dental and psychiatry professionals recruited and retained in the state of Vermont between 2014 and 2018. We will do this by providing loan repayment awards of \$20,000 (\$10,000 SLRP + \$10,000 non-Federal) to up to 25 providers to work in one of 51 FQHC sites, 14 RHCs or our one geographic HPSA for Dental care. We will be prioritizing incentives to our highest need of primary care providers in Internal Medicine and Family Practice.

These additional SLRP funds will allow us to use more of our state-funded ELRP incentives to help recruit and retain providers at private practices for primary and dental care with need but no HPSA designations, therefore increasing the supply of health care providers in all areas of Vermont, reducing wait times for appointments, and ultimately increasing the health of all Vermonters.

===== End of 1. Project Abstract =====