

ATTACHMENT:

Committee on Ways and Means

Please review the provisions below that are included in the Governor’s Fiscal Year 2023 proposed Budget Adjustment bill. The explanations highlighted in yellow were provided by the Department of Finance and Management. The notes in gray are from the House Appropriations Committee.

Sec. 4 2022 Acts and Resolves No. 185, Sec. D.101 is amended to read:

* * *

(b) Notwithstanding any provision of law to the contrary, in fiscal year 2023:

* * *

(4) Notwithstanding any provision of law to the contrary, in fiscal year 2023, the following amounts shall revert to the General Fund from the accounts indicated:

* * *

<u>1140040000 Homeowner Rebates</u>	<u>\$ 2,593,580.53</u>
<u>1140070000 Use Tax Reimbursement Program</u>	<u>\$ 103,001.75</u>
<u>1140330000 Renter Rebates</u>	<u>\$ 4,374,661.25</u>

* * *

<u>5100060000 Adult Basic Education</u>	<u>\$ 7,192.22</u>
<u>5100070000 Education Services</u>	<u>\$ 3,870.00</u>
<u>5100210000 Education – Flexible Pathways</u>	<u>\$ 182,072.00</u>
<u>5100400000 State Board of Education</u>	<u>\$ 54,755.46</u>
<u>5100892214 AOA School Food Program Administration</u>	<u>\$ 50,670.70</u>
<u>5100892216 AOE Vaccine Incentive Program</u>	<u>\$ 50,000.00</u>

6100040000 Property Tax Assessment Appropriation \$ 4,263.13

EXPLANATION: \$10,511,208 net new General Fund balances available for reappropriation.

NOTES: The Committee on Education is also reviewing these reversions.

(d) Notwithstanding any provision of law to the contrary, in fiscal year 2023, the following amounts shall revert to the Education Fund from the accounts indicated:

5100010000 Administration \$ 1,607,144.76

5100040000 Special Education Formula \$ 27,333,400.07

5100050000 State-Placed Students \$ 1,443,542.45

5100090000 Education Grant \$ 11,754,133.93

5100110000 Small School Grant \$ 34,348.00

5100200000 Education-Technical Education \$ 1,497,300.35

5100210000 Education – Flexible Pathways \$ 1,843,900.61

EXPLANATION: \$45,513,770 net Education Fund balances available for reappropriation.

NOTE: The Committee on Education is also reviewing these reversions.

Sec. 14 2022 Acts and Resolves No. 185, Sec. E.501.1 is added to read:

Sec. E.501.1 EDUCATION RECOVERY AND REVITALIZATION

(a) The Agency of Education may adjust any of the allocations concerning ESSER II and ARP ESSER state set aside funds made in Acts 9, 67, 72, and 74 of 2021 and Acts 28, 83, 112, 166 and 185 of 2022 during the final reconciliation process to ensure the entirety of the federal awards are expended. The Agency of

Education shall provide a final reconciliation report to the Joint Fiscal Committee on the reallocation of these funds in October 2023 and October 2024.

EXPLANATION: Through a series of legislative actions, all ESSER II and ARP ESSER state set aside funds have been fully allocated. As grant programs, contracts and administrative costs are reconciled, the Agency of Education requires additional flexibility to ensure that all funds can be expended by the end of the funding periods.

NOTE: The Committee on Education is also reviewing this section.

Sec. 15 2022 Acts and Resolves No. 185, Sec. E.514 is amended to read:

Sec. E.514 State Teachers' Retirement System

(a) In accordance with 16 V.S.A. § 1944(g)(2), and consistent with system changes enacted for fiscal year 2023 in the 2022 session, the annual contribution to the State Teachers' Retirement System (STRS) shall be ~~\$194,161,651~~\$194,961,651 of which ~~\$187,273,782~~\$188,073,782 shall be the State's contribution and \$6,887,869 shall be contributed from local school systems or educational entities pursuant to 16 V.S.A. § 1944c.

(b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution, ~~\$34,342,965~~\$34,842,965 is the "normal contribution," and ~~\$159,818,686~~\$160,118,686 is the "accrued liability contribution."

EXPLANATION: Changes represent the difference between Actuarial adjustments following Act 114 and the estimates used to calculate Act 185 totals.

NOTE: The Education and Government Operations and Military Affairs are also reviewing this section.

Sec. 26 2022 Acts and Resolves No. 183, Sec. 16(b)(1) is amended to read:

(1) Notwithstanding 16 V.S.A. § 4025(d); ~~In~~in fiscal year 2023, the amount of \$15,000,000.00 is appropriated from the Education Fund to the Vermont Housing and Conservation Board to create and administer the CTE

Construction and Rehabilitation Experiential Learning Program and Revolving Loan Fund pursuant to this section

EXPLANATION: Language necessary to implement the use of Education Funds without repealing the education property tax. This adjustment effectuates the changes expressed in the June 30, 2022 Statement of Legislative Intent's Act 183 Section 16 paragraph (pp. 6 of 7).

NOTE: The Committee on Education and on General and Housing are also reviewing this section.

Sec. 30 2022 Acts and Resolves No. 183, Sec. 54 is amended to read:

Sec. 54. ~~APPROPRIATION;~~DOWNTOWN AND VILLAGE CENTER TAX

CREDIT PROGRAM ~~There is appropriated the sum of \$2,450,000.00 from the General Fund to the Vermont Downtown and Village Center Tax Credit Program to be used in fiscal years 2023 and 2024.~~Notwithstanding 32 V.S.A. § 5930ee, up to \$5,450,000 the funds shall be used to increase the amount of for tax credits, in fiscal year 2023, that may be awarded to on qualified projects. Notwithstanding 32 V.S.A. § 5930ee, any tax credit capacity for this program not used in FY23 shall carry forward. Of those tax credits awarded in fiscal years 2023 and 2024, up to \$2,000,000.00 may be awarded to qualified projects located in designated neighborhood development areas.

EXPLANATION: Tax credits are recorded as a revenue offset and, as such, no appropriation is necessary since no cash outlay from the Treasury is required. The intent of Act 183 Sec. 54 appears to be to add a total of \$2,450,000 to the Downtown and Village Center Tax Credit Program over FY23 and FY24, which are capped at \$3m per year by 32 V.S.A. § 5930ee. A carryforward provision is included to accommodate possible operational limits in awarding the additional funds within the intended timeframe

NOTE: The Committee on Commerce and Economic Development is also reviewing this section.