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Adam Greshin, Commissioner

TO: Senator Jane Kitchel

CC: Rep. Diane Lanpher, Stephanie Barrett, Sarah Clark, Erin Viera, Andrea Smith

FROM: Adam Greshin, Commissioner of Finance & Management

DATE: February 7, 2023

RE: Technical Corrections to H.145 – An act relating to fiscal year 2023 budget adjustments

I write to suggest the following clarifications and technical edits to H.145 - *An act relating to fiscal year 2023 budget adjustments*, as passed by the House.

Sec. 8. 2022 Acts and Resolves No. 185, Sec. B.300 is amended to read:

Sec. B. 300 Human Services – agency of human services – secretary’s office

Personal Services	12,307,314	<u>14,990,385</u>
Operating Expenses	5,340,825	<u>5,356,835</u>
Grants	2,895,202	<u>3,160,202</u>
Total	20,543,341	<u>23,507,422</u>
Source of funds		
General fund	9,056,662	<u>12,020,743</u>
Special funds	135,517	135,517
Federal funds	10,569,851	10,569,851
Interdepartmental transfers	781,311	781,311
Total	20,543,341	<u>23,507,422</u>

EXPLANATION: See also changes made in Secs. 11 and 19 pertaining to the House’s proposed extension of Transitional Housing and General Assistance Emergency Housing. Given the proposed extension is for one calendar quarter, the additional appropriation can be reduced by half.



Sec. 9. 2022 Acts and Resolves No. 185, Sec. B.301 is amended to read:

B. 301 Secretary's office – global commitment

Grants	1,835,603,282	<u>1,935,636,032</u>
Total	1,835,603,282	<u>1,935,636,032</u>
Source of funds		
General fund	608,430,925	<u>515,436,502</u>
Special funds	33,384,536	<u>29,121,769</u>
Tobacco fund	21,049,373	<u>21,049,373</u>
State health care resources fund	17,078,501	<u>25,102,272</u>
Federal funds	1,151,625,777	<u>1,341,410,157</u>
Interdepartmental transfers	4,034,170	<u>3,515,959</u>
Total	1,835,603,282	<u>1,935,636,032</u>

EXPLANATION: These updates are required by the increase in spending authority necessary for updated Consensus assumptions, as reflected in the Emergency Board's action on January 17, 2023. This appropriation provides the matching funds for Global Commitment spending.

Sec. 11. 2022 Acts and Resolves No. 185, Sec. B.306 is amended to read:

Sec. B. 306 Department of Vermont health access – administration

Personal Services	133,258,216	133,258,216
Operating Expenses	27,050,784	<u>27,115,536</u>
Grants	2,912,301	<u>8,712,301</u>
Total	163,221,301	<u>169,086,053</u>
Source of funds		
General fund	34,666,169	<u>38,830,921</u>
Special funds	4,738,197	<u>4,738,197</u>
Federal funds	114,997,590	<u>116,697,590</u>
Global Commitment fund	3,986,316	<u>3,986,316</u>
Interdepartmental transfers	4,833,029	<u>4,833,029</u>
Total	163,221,301	<u>169,086,053</u>

EXPLANATION: The House included additional funding for AHS' Complex Care case management team assuming an extension of Transitional Housing and General Assistance Emergency Housing benefits. However, given the proposed extension of one calendar quarter, the additional appropriation can be reduced by half.

Sec. 12. 2022 Acts and Resolves No. 185, Sec. B.307 is amended to read:

Sec. B. 307 Department of Vermont health access – Medicaid program – global commitment

Personal Services	547,983	547,983
Grants	837,108,046	<u>966,597,071</u>
Total	837,656,029	<u>967,145,054</u>



Source of funds		
Global Commitment fund	837,656,029	<u>967,145,054</u>
Total	<u>837,656,029</u>	<u>967,145,054</u>

EXPLANATION: These updates are required by the increase in spending authority necessary for updated Consensus assumptions reflected in the Emergency Board’s action on January 17, 2023. See Sec. 9 above. Also note the increases to Home Health skilled nursing rates, as proposed by the House, reflect annualized amounts. If funding was intended to be prorated, a technical change would be required in Secs. 9 and 12 (not included above). The proposed increased rates for FQHCs appear to be correctly prorated to approximately 4.5 months.

Sec. 14. 2022 Acts and Resolves No. 185, Sec. B.310 is amended to read:

Sec. B. 310 Department of Vermont health access – Medicaid non-waiver matched

Grants	35,125,592	<u>35,226,509</u>
Total	<u>35,125,592</u>	<u>35,226,509</u>

Source of funds

General fund	12,736,699	<u>12,342,078</u>
Federal funds	<u>22,388,893</u>	<u>22,884,431</u>
Total	<u>35,125,592</u>	<u>35,226,509</u>

EXPLANATION: These updates are required by the increase in spending authority necessary for updated Consensus assumptions reflected in the Emergency Board’s action on January 17, 2023. See Secs. 9 and 12 above.

Sec. 17. 2022 Acts and Resolves No. 185, Sec. B.313 is amended to read:

Sec. B. 313 – Health – alcohol and drug abuse programs

Personal Services	5,533,379	<u>4,982,093</u>
Operating Expenses	511,500	511,500
Grants	55,582,806	<u>55,595,616</u>
Total	<u>61,627,685</u>	<u>61,089,209</u>

Source of funds

General fund	4,706,142	<u>4,167,666</u>
Special funds	1,392,101	1,392,101
Tobacco fund	949,917	949,917
Federal funds	21,131,903	21,131,903
Global Commitment fund	33,447,622	33,447,622
Total	<u>61,627,685</u>	<u>61,089,209</u>

EXPLANATION: The House added \$12,810 of General Fund to the Governor’s recommended Budget Adjustment Act, to continue one month’s worth of work for the federally funded SUD Specialist program. The funds will be expended through an amendment to extend a subrecipient



grant, so the funding should be appropriated in the Grants major object instead of the Personal Services major object.

Sec. 19. 2022 Acts and Resolves No. 185, Sec. B.316 is amended to read:

Sec. B. 316 – DCF Administration and Support Services		
Personal Services	41,932,610	<u>41,930,824</u>
Operating Expenses	17,284,575	<u>23,063,394</u>
Grants	3,819,106	<u>3,415,106</u>
Total	63,036,291	<u>68,409,324</u>
Source of funds		
General fund	36,020,845	<u>36,525,221</u>
Special funds	2,789,842	<u>2,788,056</u>
Federal funds	22,463,191	<u>27,083,191</u>
Global Commitment fund	1,409,481	<u>1,659,924</u>
Interdepartmental transfers	352,932	352,932
Total	63,036,291	<u>68,409,324</u>

EXPLANATION: The House included additional funding for AHS’ Complex Care case management team assuming an extension of Transitional Housing and General Assistance Emergency Housing benefits. However, given the proposed extension of one calendar quarter, the proposed appropriation can be reduced by half.

Sec. 20. 2022 Acts and Resolves No. 185, Sec. B.317 is amended to read:

Sec. B. 317 – DCF – Family Services		
Personal Services	41,455,253	<u>41,755,292</u>
Operating Expenses	5,392,584	5,392,584
Grants	88,864,318	<u>89,022,405</u>
Total	135,712,155	<u>136,170,281</u>
Source of funds		
General fund	56,028,109	<u>66,085,811</u>
Special funds	729,587	729,587
Federal funds	32,206,285	32,206,285
Global Commitment fund	46,710,437	<u>37,110,861</u>
Interdepartmental transfers	37,737	37,737
Total	135,712,155	<u>136,170,281</u>

EXPLANATION: A portion of funding for increased PNMI rates specific to Lund should be moved from Family Services to Reach Up.



Sec. 24. 2022 Acts and Resolves No. 185, Sec. B.323 is amended to read:

Sec. B. 323 – DCF – Reach Up

Operating Expenses	30,633	30,633
Grants	27,235,606	<u>37,028,703</u>
Total	27,266,239	<u>37,059,336</u>
Source of funds		
General fund	15,097,457	<u>24,581,158</u>
Special funds	5,955,834	5,955,834
Federal funds	3,531,330	3,531,330
Global Commitment fund	2,681,618	<u>2,991,014</u>
Total	27,266,239	<u>37,059,336</u>

EXPLANATION: A portion of funding for increased PNMI rates specific to Lund should be moved from Family Services to Reach Up.

Sec. 37. 2022 Acts and Resolves No. 185, Sec. B.346 is amended to read:

Sec. 346 Total human services

Source of funds

General fund	1,118,252,689	<u>1,074,981,759</u>
Special funds	122,249,086	<u>122,282,586</u>
Tobacco fund	23,088,208	23,088,208
State health care resources fund	17,078,501	<u>25,102,272</u>
Federal funds	1,651,894,729	<u>1,848,710,262</u>
Global Commitment fund	1,788,710,309	<u>1,922,543,045</u>
Internal service funds	1,699,065	1,699,065
Interdepartmental transfers	28,014,227	<u>27,495,975</u>
Permanent trust funds	25,000	25,000
Total	4,751,011,814	<u>5,045,928,172</u>

Sec. 48. 2022 Acts and Resolves No. 185, Sec. D.101(b)(3) is amended to read:

(3) Notwithstanding 2016 Acts and Resolves No. 172, Sec. E. 228, ~~\$45,664,476~~ \$58,564,476 of the unencumbered balances in the Insurance Regulatory and Supervision Fund (21075), the Captive Insurance Regulatory and Supervision Fund (21085), and the Securities Regulatory and Supervision Fund (21080) shall be transferred to the General Fund.

EXPLANATION: This revision updates the FY23 expected year end direct application. This amount was not communicated to Finance & Management at the time the Governor's Recommended Budget Adjustment was submitted to the Legislature.



Sec. 56.1. 2022 Acts and Resolves No. 185 Sec. E.327 is added to read:

Sec. E.327. SECURE RESIDENTIAL STABILIZATION FACILITIES FOR YOUTH

(a) \$4,626,506 of funds appropriated to the Agency of Human Services shall be held in reserve until the Department for Children and Families submits a report to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare providing a detailed plan for the location, design, and budget of the proposed secure residential stabilization facilities for youth, on or before March 31, 2023. The report shall include:

- (1) the proposed timeframe in which each temporary facility would be operational while plans for a suitable permanent facility are developed and implemented; and
- (2) the timeframe for the additional stabilization and treatment unit plans.

EXPLANATION: The proposed adjustment places the language associated with the appropriation increase in Section B.327 of this bill within the E-Section as is the customary practice.

H.145 Sec. 86 is repealed.

~~**Sec. 86. SECURE RESIDENTIAL STABILIZATION FACILITIES FOR YOUTH**~~

~~(a) \$4,626,506 of funds appropriated to the Agency of Human Services shall be held in reserve until the Department for Children and Families submits a report to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare providing a detailed plan for the location, design, and budget of the proposed secure residential stabilization facilities for youth, on or before March 31, 2023. The report shall include:~~

- ~~(1) the proposed timeframe in which each temporary facility would be operational while plans for a suitable permanent facility are developed and implemented; and~~
- ~~(2) the timeframe for the additional stabilization and treatment unit plans.~~

EXPLANATION: The proposed adjustment places the language associated with the appropriation increase in Section B.327 of this bill within the E-Section as is the customary practice.

