

H. 145 Fiscal Year 2023 Budget Adjustment Bill Conference Committee

(\$ millions)	GF	FF	EF	All Other Fds	ARPA-SFR&Cap	UnDup Total
FY23 As passed	2,032.44	2,989.05	1,944.72	798.69	566.70	8,331.59
BAA incr - COC	67.55	200.41	16.49	32.73		317.17
FY23 total	2,099.99	3,189.46	1,961.21	831.41	566.70	8,648.77

Note: amounts reflect unduplicated appropriations.

Source: JFO FY 2023 BAA CoC Web Report¹

OVERVIEW:

The budget adjustment bill (BAA) updates program and operating costs included in the fiscal year 2023 “Big Bill” to reflect more recent budget data, from the closure of fiscal year 2022 and first quarter of fiscal year 2023 program activity. The bill also reallocates across funding sources, as updated federal funding estimates and prior close out of state funds are incorporated. **The net GF increase from the FY 2023 budget in this BAA is \$68M.** Base program changes are summarized below, and the one-time items are on the back.

BASE APPROPRIATION ADJUSTMENTS:

HUMAN SERVICES

- AHS/DVHA – Medicaid – \$86.1m GF saved in swap with extended enhanced federal FMAP funds.
- AHS/DVHA – Brattleboro Retreat for rate and utilization increase – \$22.4m GC; State match \$10m.
- DVHA – Caseload and utilization increase of \$60m GC (\$27m GF) – reflects Emergency Board action.
- DVHA – Medicaid Non-Emergency Transportation – \$1.7m GC (\$700k GF) funding added.
- DVHA – Provider Year 2021 ACO settlement – \$7.2m (\$2.7m GF).
- DVHA – Medicaid Data Warehouse and Analytics Solution project – \$5.8m state and federal combined.
- DVHA – Graduate Medical Education increase – \$21m GC; State match funded by UVMCC (\$9m SF).
- DVHA – provides partial year increases for Skilled Home Health services, Federally Qualified Health Centers (FQHC), and Hospice providers.
- DMH – Traveling nurse contract increase at the Vermont Psychiatric Care Hospital (VPCH) – \$10m GF, partially offset by vacancy savings (\$3.5m GC).
- DCF – Reach Up caseload increase – \$8.6m GF.
- DAIL – Developmental Services public safety caseload pressures – \$1.4m GC.
- DAIL LTC – Skilled Nursing Facility high acuity contract cost – \$1.1m GC.
- DAIL LTC/Vermont Veterans Home additional staff and inflationary pressures – \$4.6m GC.
- DOC – Recruitment and retention incentives – \$6.8m GF cost, partially offset by vacancy savings.

OTHER

- Department of Public Safety’s collective bargaining agreement – \$3.3m GF, partially offset by vacancy savings. Is also funded with pay act allocation.
- Cannabis Control Board operations support and new lab expenses – \$1.3m GF transfer.
- Transportation – Rail program saves \$3.5m TF as a result of additional federal funds, and the bill reallocates \$100k from Replace Your Ride to eBike incentive program.

¹ The full BAA web report is available at:

https://jfo.vermont.gov/custom_reports/webreports/webreports_baa/web/FY2023%20BAA%20Web%20Report%203-1-2023%208_40_51%20AM.html

ONE-TIME GENERAL FUND EXPENDITURES:

HOUSING:

Temporary Housing

- \$13.8m GF in addition to existing \$4.8m GF for emergency shelter of prioritized populations from April 1 through June 30, 2023.
- \$5m GF to shelter other populations from March 16 through May 31, 2023.
- \$3m GF to DCF for the CARES Housing Voucher Program for families experiencing homelessness.
- \$1m GF to continue to provide coordinated care teams to continue wraparound support services to clients in the General Assistance Temporary Housing Assistance Program. This is in addition to the over \$15m of ERAP II allocated for housing stability services and the remaining \$10m GF of housing investments from the fiscal year 2022 GF contingent appropriation.

Housing Development

- \$27.5m GF to the Vermont Housing and Conservation Board (VHCB) to create perpetually affordable homes for Vermonters and address the state's housing supply challenge. \$2.5m of this funding is specifically for the development of emergency shelter alternatives to commercial hotels/motels.
- \$9m GF to the Vermont Housing Finance Agency (VHFA) to bring the Missing Middle-Income homeownership program to \$24m to meet demand.
- \$5m GF to the Agency of Commerce and Community Development (ACCD) to continue the Vermont Housing Incentive Program (VHIP).

HUMAN SERVICES:

- \$1.2m GF to support the Lund Center's Residential Treatment Program.
- \$2.1m GF to Adult Day Providers for operating funds through June 30, 2023.
- \$1m GF investment to maintain Rutland community-based residential program for adolescent males.
- \$350k GF for Employment Assistance Grants for New Americans through State Refugee Resettlement Office.

OTHER COMMUNITY INVESTMENTS NEEDS:

- \$3m GF for technical assistance to help communities with high need apply for State or federal funding that they may be eligible for.
- \$30m GF to Vermont Community Broadband Board for State match to the \$84m National Telecommunications and Information Administration (NTIA) broadband grant or other federal grants.
- \$350k GF to ACCD to provide State match for the Northeast Kingdom Build to Scale proposal to be submitted to the U.S. Economic Development Administration for federal funding.

OTHER STATE INVESTMENTS:

- \$4.6m GF for to DCF to procure temporary youth detention center, April 15th status report required.
- \$1.55m GF to the Judiciary to address network cabling, courthouses' sound systems, and corrections facilities remote hearing improvements.
- \$3.34m GF for 10% State match required for FEMA COVID funds.
- \$1.73m GF to the Agency of Digital Services for State match for the U.S. Geological Survey Light Detection and Ranging (LIDAR) grant.
- \$1.12m GF to the Military Department for State match for federal funds to address the needs of state armories in fiscal year 2023.

GF FY2023 BALANCE and RESERVE LEVELS

- \$335m will be available to carryforward for fiscal year 2024 budget deliberations.
- \$288m total across all GF reserves projected at the close of fiscal year 2023.