

Proposed CECF language and unexpended fund language

Rebecca Wasserman

March 15, 2023

1 Sec. 1. 32 V.S.A. § 1001B is amended to read:

2 § 1001B. ~~CAPITAL EXPENDITURE CASH FUND~~ CAPITAL  
3 INFRASTRUCTURE RESERVE FUND

4 (a) Creation. There is hereby created the ~~Capital Expenditure Cash Fund~~  
5 Capital Infrastructure Reserve Fund to be administered by the Commissioner  
6 of Finance and Management, in consultation with the State Treasurer, for the  
7 purpose of using general funds to defray the costs of future capital  
8 expenditures that would otherwise be authorized in the capital construction act  
9 and paid for using the State's general obligation bonding authority and debt  
10 service obligations.

11 (b) Fund. The Fund may consist of:

- 12 (1) any appropriations or transfers made by the General Assembly; and  
13 (2) any interest earned by the Fund.

14 (c) Use of funds. ~~Expenditure shall only be made from the Fund by~~  
15 ~~appropriations by the General Assembly. Plans for use shall be submitted as~~  
16 ~~part of the operating budget adjustment or operating budget process. Monies in~~  
17 the Fund shall only be used for:

18 (1) costs associated with a proposed capital project that occur prior to  
19 the construction phase of that project, including feasibility, planning, design,  
20 and engineering and architectural costs;

21 (2) eligible capital projects with an anticipated lifespan of ~~less than~~ 20  
22 years or more; and

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1 (3) costs associated with the early redemption of general obligation

2 bonds; and

3 ~~(4) other eligible capital projects receiving an appropriation from the~~

4 ~~General Assembly.~~

5 (d) Project recommendation and approval. Plans for use of the Fund shall

6 be submitted to the General Assembly as part of the capital budget request,

7 pursuant to 32 V.S.A. § 309. The House Corrections and Institutions

8 Committee shall review the plan and recommend projects to be paid for from

9 the Fund to the House Committee on Appropriations. Expenditures shall only

10 be made from the Fund by appropriation by the General Assembly.

11 (e) Fund balance. All balances in the Fund at the end of any fiscal year

12 shall be carried forward and remain part of the Fund.

13 (f) Spending authority. Any authority to make expenditures from the Fund

14 shall carry forward for not more than two years from the legislative session in

15 which the act authorizing the expenditure was enacted.

16 ~~(e)~~(g) Early redemption transfer. If any expenditures are made from the

17 Fund or the General Assembly appropriates general funds to pay for the early

18 redemption of general obligation bonds pursuant to subdivision (c)(3) of this

19 section, then an amount equal to the reduction in debt service required in any

20 fiscal year resulting from that redemption shall be transferred to the Fund.

21 Sec. 2. 32 V.S.A. § 1001 is amended to read:

22 § 1001. CAPITAL DEBT AFFORDABILITY ADVISORY COMMITTEE

23 \* \* \*

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1 (c) Committee estimate of a prudent amount of net State tax-supported  
2 debt; affordability considerations. On or before September 30 of each year, the  
3 Committee shall submit to the Governor and the General Assembly the  
4 Committee's estimate of net State tax-supported debt that prudently may be  
5 authorized for the next fiscal year, together with a report explaining the basis  
6 for the estimate. The Committee's estimate shall not take into consideration  
7 the balance remaining at the end of each fiscal year in the Capital  
8 Infrastructure Reserve Fund, established pursuant to Sec. 1001B of this title.  
9 The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not  
10 apply to the report to be made under this subsection. In developing its annual  
11 estimate, and in preparing its annual report, the Committee shall consider:

12 \* \* \*

13 Sec. 3. 32 V.S.A. § 701a is amended to read:

14 § 701A. CAPITAL CONSTRUCTION BILL

15 (a) When the capital budget has been submitted by the Governor to the  
16 General Assembly, it shall immediately be referred to the House Committee on  
17 Corrections and Institutions, which shall proceed to consider the budget  
18 request in the context of the 10-year capital program plan also submitted by the  
19 Governor pursuant to sections 309 and 310 of this title. The Committee shall  
20 also propose to the General Assembly:

21 (1) a prudent amount of total general obligation bonding for the  
22 following fiscal year, for support of the capital budget, in consideration of the

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1 recommendation of the Capital Debt Affordability Advisory Committee

2 pursuant to chapter 13, subchapter 8 of this title; and

3 (2) recommendations for capital projects that may be paid for from the  
4 Capital Infrastructure Reserve Fund, established in Sec. 1001b of this title.

5 (b) As soon as possible, the Committee shall prepare a bill to be known as  
6 the “capital construction bill,” which shall be introduced for action by the  
7 General Assembly.

8 (c) The spending authority authorized by a capital construction act shall  
9 carry forward until expended, unless otherwise provided.

10 (1) All unexpended funds remaining for projects authorized by capital  
11 construction acts enacted in a legislative session that was two or more years  
12 prior to the current legislative session shall be reported to the General  
13 Assembly and may be reallocated in future capital construction acts.

14 (2) Notwithstanding subdivision (1) of this subsection, any amounts  
15 appropriated in a previous capital construction act that are unexpended for at  
16 least five years shall be reallocated to future capital construction acts.

17 (d)~~(1)~~ On or before ~~January 15~~ November 15 each year, the Commissioner  
18 of Finance and Management shall require each entity to which spending  
19 authority has been authorized by a capital construction act enacted in a  
20 legislative session that was two or more years prior to the current legislative  
21 session ~~shall submit to the House Committee on Corrections and Institutions~~  
22 ~~and the Senate Committee on Institutions~~ to submit a report on the current fund  
23 balances of each authorized project with unexpended funds. The report shall

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1 include plans for the unexpended funds, any projects or contracts the funds are  
2 assigned to, and an anticipated timeline for expending the funds.

3 (2) On or before December 15 each year, the Commissioner of Finance  
4 and Management shall submit in a consolidated format the reports required by  
5 subdivision (1) of this subsection to the House Committee on Corrections and  
6 Institutions and the Senate Committee on Institutions.

7 (e) The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall  
8 not apply to the reports to be made under subsections (c) and (d) of this  
9 section.