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HOUSE COMMITTEE ON GOVERNMENT
OPERATIONS AND MILITARY AFFAIRS

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January 24, 2023

To: House Committee on Appropriations
Re: Governor's Recommended Fiscal Year 2023 Budget Adjustment

Dear Rep. Lanpher,

Please find this letter as the House Committee on Government Operations and Military Affairs (HGOMA) response to the Governor's Recommended Fiscal Year 2023 Budget Adjustment as it relates to areas that touch on our jurisdiction. As requested in your letter to House Chairs dated January 13, 2023 we have reviewed several proposals and have an additional recommendation as well.

Response to Items included in the HAC memo:

Sec. E.514 State Teachers' Retirement System

We support this recommendation. This language is needed to make sure the State's teacher pension contribution for FY 2023 is fully funded at the actuarially recommended levels – something the state has consistently done since FY 2007.

Sec. B.1100 & Sec. E.100.4 –

(24) \$3M Rural Technical Assistant Grants

We support providing underserved communities with additional technical assistance. However, the program may need further definition and legislative review. HGO&MA would support setting the \$3 million aside for use when questions about the community eligibility requirements, the index proposed to evaluate need, and the eligible uses and administration of the funds are better-defined.

(25) \$3.345M FEMA COVID Funds (10% Match)

We support this recommendation. Federal COVID funding had previously been 100%, but now requires this 10% match.

(26) \$1,734,000 to the Agency of Digital Services for a US Geological Survey (USGS) Light Detection and Ranging (LIDAR) grant

We support this recommendation. The time constraints of seasonal mapping and availability of federal grant funding for the balance of this important mapping data support expediting this appropriation.

Sec. B.1102 One-time Technology Modernization Special Fund Appropriations

We support this recommendation with the understanding that these funds were previously appropriated and are now being moved to one-time lines to better align accounting with best practice to track project funds.

Additional Items for consideration in the BAA:

Clarify Excise Tax Applicability to Cannabis Vape Products (32 V.S.A. § 7811)

We support the Ways & Means Committee’s proposal to clarify that the excise tax that applies to e-cigarettes (tobacco products) does not apply to cannabis or hemp-derived products.

Extension of CCB Auditor’s Report Deadline

Act 164 of 2020 included the language listed below. At the request of the Auditor of Accounts, we support extending the deadline for this report by one year to 2024. The Auditor of Accounts and Cannabis Control Board agree that there is not yet sufficient information to have the report be useful given the nascency of the regulated marketplace in 2023. The Auditor suggested this may have significant impact on budgeting for the next fiscal year and requested the date be pushed forward or that the report be eliminated. We support changing the due date of the report to November 15, 2024.

“Sec. 6d. AUDITOR OF ACCOUNTS REPORT On or before November 15, 2023, the Auditor of Accounts shall report to the General Assembly regarding the organizational structure and membership of the Cannabis Control Board and whether the structure continues to be the most efficient for carrying out the statutory duties of the Board.”

Judiciary IT Proposal

We support the proposal from the State Court Administrator’s office to stand up an independent network. However, there is still an independent report due evaluating the network and unanswered questions about the root cause of network connectivity and reliability issues.

The proposal had four components. The full network replacement is budgeted at \$6.23M and the State Court Administrator projects that it will save the state over \$500k per year over continuing to allocate funds to the Agency of Digital Services for the current network services.

We support expediting the three smaller infrastructure items and considering the full network replacement once we have more information:

- 1) **Upgrading internal network cabling (\$750k):** We support expediting this request which will fund half of the total budget for this item (\$1.5M) as there is 50% in federal matching funds available and this will improve network reliability at least internally.

- 2) **Vermont Courthouse Sound System Replacement (\$500k):** Upgrades to amplifiers and microphones in each of the facilities is critical to the new normal in the courthouses so that everyone participating in person and electronically can be heard.

- 3) **Correctional Facilities Remote Hearing Improvement (\$300k):** We support these upgrades for sound proofing, wi-fi and mobile equipment so that proceedings like arraignments can be better accommodated from the correctional facilities without the need for secure transport to a courthouse.