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Adam Greshin, Commissioner

To: Senator Jane Kitchel, Chair

CC: Members of the Senate Committee on Appropriations
Stephanie Barrett, Joint Fiscal Office
Sarah Clark, Joint Fiscal Office

From: Adam Greshin

Date: April 7, 2023

RE: H.494 Technical Edits

I am writing to recommend the following clarifications and technical edits to H.494, *An act relating to making appropriations for the support of government*.

Section A.108(c) is added to read:

The F section contains workforce and economic development policies as enacted by the General Assembly and the G section contains the effective dates for the respective sections of this act.

EXPLANATION: The introduction to the bill provides no information about what is contained within the F or G sections.

Sec. B.132 State treasurer - unclaimed property

Personal services	809,823	
Operating expenses	383,147	<u>386,790</u>
Total	1,192,970	<u>1,196,613</u>
Source of funds		
Private purpose trust funds	1,192,970	<u>1,196,613</u>
Total	1,192,970	<u>1,196,613</u>



EXPLANATION: Adjustment to reflect costs to Unclaimed Property of the four new Treasurer's Office positions created in E.100(a)(1)(N)(iii)-(vi).

Sec. B.133 Vermont state retirement system

Personal services	221,698	
Operating expenses	2,635,981	<u>2,768,981</u>
Total	2,857,679	<u>2,990,679</u>
Source of funds		
Pension trust funds	2,857,679	<u>2,990,679</u>
Total	2,857,679	<u>2,990,679</u>

EXPLANATION: Adjustment to reflect the prorated VSERS cost of one new VPIC Administrative Assistant position created in E.100(a)(1)(N)(i) and four new Treasurer's Office positions created in E.100(a)(1)(N)(iii)-(vi). Per Senate passed S.42 Sec. 2, VPIC position total cost assumed to be \$127,000, allocated 40.86%, 15.13%, and 44.01%, to VSERS (B.133), VMERS (B.134) and VSTRS (B.514.1), respectively. Total pension cost of four new Treasurer's Office positions equal to \$225,302, allocated 36%, 23%, and 41%, to VSERS (B.133), VMERS (B.134) and VSTRS (B.514.1), respectively, per Treasurer's Office estimates.

Sec. B.134 Municipal employees' retirement system

Personal services	222,371	
Operating expenses	1,428,418	<u>1,499,452</u>
Total	1,650,789	<u>1,721,823</u>
Source of funds		
Pension trust funds	1,650,789	<u>1,721,823</u>
Total	1,650,789	<u>1,721,823</u>

EXPLANATION: Adjustment to reflect the prorated VMERS cost of one new VPIC Administrative Assistant position created in E.100(a)(1)(N)(i) and four new Treasurer's Office positions created in E.100(a)(1)(N)(iii)-(vi). Per Senate passed S.42 Sec. 2, VPIC position total cost assumed to be \$127,000, allocated 40.86%, 15.13%, and 44.01%, to VSERS (B.133), VMERS (B.134) and VSTRS (B.514.1), respectively. Total pension cost of four new Treasurer's Office positions equal to \$225,302, allocated 36%, 23%, and 41%, to VSERS (B.133), VMERS (B.134) and VSTRS (B.514.1), respectively, per Treasurer's Office estimates.



Sec. B.134.1 Vermont Pension Investment Commission

Personal services	2,002,637	<u>2,129,637</u>
Operating expenses	248,561	
Total	<u>2,251,198</u>	<u>2,378,198</u>
Source of funds		
Special funds	2,251,198	<u>2,378,198</u>
Total	<u>2,251,198</u>	<u>2,378,198</u>

EXPLANATION: Adjustment to reflect the prorated VSERS cost of one new VPIC Administrative Assistant position created in E.100(a)(1)(N)(i). Per Senate passed S.42 Sec. 2, total cost assumed to be \$127,000.

Section B.145 Total general government:

House totals will need to be updated for technical adjustments.

Section B.208 Public safety - administration:

Personal services	4,539,941	
Operating expenses	5,417,264	
Grants	<u>357,986</u>	
Total	10,315,191	
Source of funds		
General fund	<u>6,138,814</u>	<u>6,001,814</u>
Special funds	4,105	
Federal funds	<u>410,260</u>	<u>547,260</u>
Interdepartmental transfers	<u>3,762,012</u>	
Total	10,315,191	

EXPLANATION: The House changes made to the Governor's budget recommendation for Sec. B.208 appear to be made in error. Neither of the two DPS Victims Services positions proposed for funding source change to General Fund (as requested by the Center for Crime Victim Services) are funded in Sec. B.208, so there should be no change to this section. Additionally, the House web report note for Sec. B.208 erroneously refers to "funding for Victim Advocate



Coordinator position.” The correct title of the position (which exists in Sec. B.209, not B.208) is “Victim Services Specialist.”

Section B.209 Public safety – state police:

Personal services	67,754,321	
Operating expenses	13,861,460	
Grants	<u>1,591,501</u>	
Total	83,207,282	
Source of funds		
General fund	53,763,634	<u>53,896,213</u>
Transportation fund	20,250,000	
Special funds	3,166,387	
Federal funds	4,308,150	<u>4,311,304</u>
Interdepartmental transfers	1,719,111	<u>1,583,378</u>
Total	83,207,282	

EXPLANATION: The House changes made to the Governor’s budget recommendation for Sec. B.209 appear to be made in error. The Governor’s budget recommendation for Sec. B.209 already includes an increase of \$135,733 in General Fund and a decrease of \$135,733 in Interdepartmental transfers to shift the funding of the Victim Services Director position (currently funded by an IDT of federal VOCA funds from CCVS), as requested by CCVS. The House changes reducing Federal funds by \$135,733 and increasing Interdepartmental transfers by the same amount should be reversed.

The funding change for the Victim Services Specialist position, as described in the note for Sec. B.208 above, should be made in Sec. B.209 by increasing General Fund by \$132,579 and decreasing Federal funds by \$132,579.

Section B.233.1 Vermont Community Broadband Board:

Personal services	1,211,623
Operating expenses	155,443
Grants	<u>1,300,000</u>
Total	2,667,066
Source of funds	



Special funds	12,310,355	<u>1,110,687</u>
Federal funds	<u>1,556,379</u>	
Total	2,667,066	

EXPLANATION: Public Service Department's Special Fund amount was copied into VCBB. The correct Special fund amount should be \$1,110,687.

Section B.241 Total protection to persons and property:

House totals will need to be updated for technical adjustments.

Section B.301 Secretary's office – global commitment:

Grants	1,982,665,335	<u>1,982,236,651</u>
Total	1,982,665,355	<u>1,982,236,651</u>
Source of funds		
General fund	644,949,964	<u>644,763,572</u>
Special funds	32,994,384	
Tobacco fund	21,049,373	
State Healthcare Resources fund	25,265,312	
Federal funds	1,254,372,132	<u>1,254,129,840</u>
Interdepartmental transfers	<u>4,034,170</u>	
Total	1,982,665,355	<u>1,982,236,651</u>

EXPLANATION: Adjustments needed to accommodate the technical corrections made in Section B.323 below.

Section B.311 Health – administration and support:

Personal services	8,154,782	
Operating expenses	7,410,428	
Grants	16,243,681	<u>16,697,133</u>
Total	31,808,891	<u>32,262,343</u>
Source of funds		



General fund	2,904,720	<u>3,131,446</u>
Special funds	2,160,065	
Federal funds	19,942,421	<u>20,169,147</u>
Global Commitment fund	6,732,468	
Interdepartmental transfers	<u>69,217</u>	
Total	31,808,891	<u>32,262,343</u>

EXPLANATION: Technical updates to accurately reflect where associated funding is managed.

Section B.312 Health – public health:

Personal services	64,592,946	
Operating expenses	13,047,530	
Grants	46,400,176	<u>45,946,724</u>
Total	124,040,652	<u>23,587,200</u>
Source of funds		
General fund	12,635,155	<u>12,408,429</u>
Special funds	25,017,725	
Tobacco fund	1,088,918	
Federal funds	66,980,622	<u>66,753,896</u>
Global Commitment fund	16,582,951	
Interdepartmental transfers	1,710,281	
Permanent trust fund	<u>25,000</u>	
Total	124,040,652	<u>123,587,200</u>

EXPLANATION: Technical updates to accurately reflect where associated funding is managed.

Section B.316 Department for children and families – administration and support services:

Personal services	44,551,963	<u>44,446,942</u>
Operating expenses	17,168,731	<u>17,162,151</u>
Grants	<u>3,919,106</u>	
Total	65,639,800	<u>65,528,199</u>



Source of funds		
General fund	37,178,609	<u>37,090,554</u>
Special funds	2,781,912	
Federal funds	23,564,095	<u>23,540,549</u>
Global Commitment fund	1,659,321	
Interdepartmental transfers	<u>455,863</u>	
Total	65,639,800	<u>65,528,199</u>

EXPLANATION: Adjustment to reflect removal of one childcare position from E.100 section.

Section B.317 Department for children and families – family services:

Personal services	43,987,652	
Operating expenses	5,180,385	
Grants	93,971,639	<u>92,471,639</u>
Total	143,139,676	<u>141,639,676</u>
Source of funds		
General fund	59,007,017	
Special funds	729,587	
Federal funds	33,937,204	
Global Commitment fund	49,428,131	<u>47,928,131</u>
Interdepartmental transfers	<u>37,737</u>	
Total	143,139,676	<u>141,639,676</u>

EXPLANATION: Technical update to accurately reflect where associated funding is managed and split among fund sources. The GC change also affects the B.301 appropriation (see above).

Section B.318 Department for children and families – child development:

Personal services	5,708,075	<u>5,670,999</u>
Operating expenses	812,971	<u>810,497</u>
Grants	<u>95,860,842</u>	
Total	102,381,888	<u>102,342,338</u>



Source of funds		
General fund	35,016,309	
Special funds	16,745,000	
Federal funds	37,458,808	<u>37,419,258</u>
Global Commitment fund	<u>13,161,771</u>	
Total	102,381,888	<u>102,342,338</u>

EXPLANATION: Adjustment to reflect removal of six childcare positions from E.100 section (H.494 as passed removes associated GF only).

Section B.325 Department for children and families – office of economic opportunity:

Personal services	758,166	
Operating expenses	95,628	
Grants	<u>26,034,109</u>	<u>27,534,109</u>
Total	<u>26,887,903</u>	<u>28,387,903</u>
Source of funds		
General fund	<u>20,513,510</u>	<u>20,942,194</u>
Special funds	83,135	
Federal funds	4,935,273	
Global Commitment fund	<u>1,355,985</u>	<u>2,427,301</u>
Total	<u>26,887,903</u>	<u>28,387,903</u>

EXPLANATION: Technical update to accurately reflect where associated funding is managed and split among fund sources. The GC change also affects the B.301 appropriation (see above).

Section B.330 Disabilities, aging and independent living – advocacy and independent living grants:

Grants	<u>22,165,328</u>	<u>21,380,328</u>
Total	<u>22,165,328</u>	<u>21,380,328</u>
Source of funds		
General fund	8,963,695	
Federal funds	7,278,114	



Global Commitment fund	<u>5,923,519</u>	<u>5,138,519</u>
Total	<u>22,165,328</u>	<u>21,380,328</u>

EXPLANATION: Technical update to accurately reflect where associated funding is managed.

Section B.334.1 Disabilities, aging and independent living – Long-Term Care:

Grants	<u>267,230,683</u>	<u>268,015,683</u>
Total	<u>267,230,683</u>	<u>268,015,683</u>
Source of funds		
General fund	498,579	
Federal funds	2,450,000	
Global Commitment fund	<u>264,282,104</u>	<u>265,067,104</u>
Total	<u>267,230,683</u>	<u>268,015,683</u>

EXPLANATION: Technical update to accurately reflect where associated funding is managed.

Section B.347 Total human services:

House totals will need to be updated for technical adjustments.

Section B.501 Education Services:

Personal services	30,951,380	
Operating expenses	1,074,585	
Grants	<u>459,907,273</u>	<u>464,607,273</u>
Total	<u>491,933,238</u>	<u>496,633,238</u>
Source of funds		
General fund	<u>4,990,183</u>	<u>5,095,183</u>
Special funds	<u>3,024,560</u>	<u>7,619,560</u>
Tobacco fund	750,388	
Federal funds	<u>483,168,107</u>	
Total	<u>491,933,238</u>	<u>496,633,238</u>



EXPLANATION: In Secs. E.500.1 and E.500.2, in fiscal year 2024 grants will be made from the new Universal Afterschool and Summer Special Fund “in an amount equal to the official forecasted revenues to be raised from the sales and use tax imposed by 32 V.S.A. chapter 233 on cannabis or cannabis products in this State.” However, H.494 has no grant appropriations from this fund. The January 2023 Consensus Revenue Forecast estimates FY2024 cannabis sales tax to be \$4.7M. Finance & Management recommends an amendment to Sec. B.501 to provide a special fund appropriation increasing grants by \$4.7M.

Note the January 2023 Consensus Revenue Forecast (which informs the Education Fund current law revenue amount on the operating statement) includes cannabis sales tax in its estimate for FY2024 Education Fund revenue. Consequently, in addition to the B.501 appropriation adjustment described above, a transfer of \$4.7M from the Education Fund to the Universal Afterschool and Summer Special Fund will need to be reflected on the Education Fund operating statement.

Section F.5 suspends the peer review fee paid into the Teacher Licensing and replaces the estimated losses through an increase in the General Fund appropriation. The Agency of Education estimates this amount to be \$105,000. The House did not account for any estimated Special Fund reduction and corresponding General Fund increase; the recommended edits to this section reduce the Special Fund appropriation by \$105,000 and increase the General Fund appropriation by the same amount.

Section B.514 State teachers’ retirement system administration:

Personal services	359,615	
Operating expenses	2,940,372	<u>3,088,640</u>
Total	3,299,987	<u>3,448,255</u>
Source of funds		
Pension trust funds	3,299,987	<u>3,448,255</u>
Total	3,299,987	<u>3,448,255</u>

EXPLANATION: Adjustment necessary to reflect the prorated VSTRS cost of one new VPIC Administrative Assistant position created in E.100(a)(1)(N)(i) and four new Treasurer’s Office positions created in E.100(a)(1)(N)(iii)-(vi). Per Senate passed S.42 Sec. 2, VPIC position total cost assumed to be \$127,000, allocated 40.86%, 15.13%, and 44.01%, to VSERS (B.133), VMERS (B.134) and VSTRS (B.514.1), respectively. Total pension cost of four new Treasurer’s Office positions equal to \$225,302, allocated 36%, 23%, and 41%, to VSERS (B.133), VMERS (B.134) and VSTRS (B.514.1), respectively, per Treasurer’s Office estimates.



Section B.516 Total general education:

House totals will need to be updated for technical adjustments.

Section B.704 Forests, parks, and recreation - forestry:

Personal services	7,452,243	<u>7,948,381</u>
Operating expenses	921,952	
Grants	<u>1,184,458</u>	
Total	<u>9,558,653</u>	<u>10,054,791</u>
Source of funds		
General fund	6,033,830	
Special funds	<u>608,616</u>	<u>702,229</u>
Federal funds	<u>2,695,959</u>	<u>3,098,484</u>
Interdepartmental transfers	<u>220,248</u>	
Total	<u>9,558,653</u>	<u>10,054,791</u>

EXPLANATION: Move funding from B.1100(m) and B.1100(n) to B.704.

Section B.1100(a)(1):

~~\$1,500,000~~ \$1,150,000 General Fund to create, implement, and oversee a comprehensive statewide language access plan

EXPLANATION: The Governor's recommended amount was \$2.3M. The JFO web report indicates the House reduced this amount to \$1.15M, and the "As Introduced" version of H.494 available online has the amount as \$1.15M. The "As Passed" version of H.494 available online changes this amount from \$1.15M to \$1.5M; however, a record of a floor amendment to make this change is not evident.

Section B.1100(a)(2):

\$5,000,000 General Fund for the purpose of supporting ~~the~~ a new Community Safety Grant Program

EXPLANATION: Grammatical correction.



Section B.1100(m)(4):

\$10,000,000 General Fund ~~and \$13,693,231 Federal Revenue Fund #22005~~ to continue to address the emergent and exigent circumstances impacting health care providers following the COVID-19 pandemic.

EXPLANATION: Federal fund spending authority is unnecessary per AHS.

Section B.1100(o)(4):

~~Notwithstanding [INSERT CITATION(S) HERE];~~ \$150,000 General Fund for a grant to Vermonters for Criminal Justice Reform for Case Management and Contingency Management Services for justice-involved Vermonters with substance use disorder.

EXPLANATION: The Substance Use Disorder Treatment Certification Rule (pursuant to 8 VSA § 4089b and 18 VSA §§ 102 and 4086) requires certification by the Vermont Department of Health as a preferred provider for any substance use disorder treatment program that receives state or federal funding from the Department. Vermonters for Criminal Justice Reform (VCJR) is not certified as a preferred provider. Language notwithstanding statute may be required to use the appropriation as currently described.

Section B.1100(o)(5):

\$1,590,000 General Fund for the Office of Alcohol and Drug Abuse Programs, in conjunction with ~~an estimated~~ \$1,410,000 appropriated from the General Fund in Sec. B.313 of this Act to be available from the and representing 30 percent of the fiscal year 2023 forecast for cannabis excise tax, and to be ~~allocated in the budget adjustment process used in a manner~~ consistent with the Substance Misuse Prevention Coalition funding intent as stated in 2022 Acts and Resolves No.1185, Sec. B.1100(a)(12)(A)(i).

EXPLANATION: Technical edits to clarify the appropriation of \$1,410,000 is already made in Sec. B.313 of H.494, and per the current version of the bill, this spending authority will be available in FY2024 without any action in the budget adjustment process.

Section B.1100(y)(2):

\$2,500,000 ~~[INSERT FUND NAME HERE]~~ for IT investments to modernize existing IT systems or automate manual processes by adding IT solutions.

EXPLANATION: The fund source must be designated.



Section B.1100(z):

\$4,680,000 General Fund to the Judiciary for the Judiciary network replacement project. Funds shall be held in reserve and shall not be allocated until the General Assembly has assessed the independent expert review outlined in the 2023 Budget Adjustment Act, H.145, Sec. 93.

EXPLANATION: The language states the funds shall be held in reserve until future action is taken by the General Assembly. Furthermore, 2023 Act Sec. 93 states “No funds shall be appropriated for the Judiciary’s Network Replacement project until the results of the review are assessed by the General Assembly.” If the legislative intent is to reserve rather than appropriate, this section should be struck from Sec. B.1100 and reserve language should be added to the D section of H.494.

Section B.1101(a)(1):

~~Notwithstanding 16 V.S.A. § 4025(d),~~ In fiscal year 2024, the amount of \$500,000 is appropriated from the General Fund to the Agency of Education for the purpose of funding the Emerging Pathways Grant Program established in Sec. F.4 of this act.

EXPLANATION: The “Notwithstanding 16 V.S.A. § 4025(d)” is unnecessary and should be removed. This clause is used to avoid the repeal of the statewide property tax should the Education Fund be used for purposes not provided in statute. In this case, the General Fund, not the Education Fund, has been appropriated.

Section B.1102(b):

In fiscal year 2024, the amount of \$10,000,000 General Fund is appropriated to the Department of Housing and Community Development for the Vermont Rental Housing Improvement Program established in 10 V.S.A. § 699.

EXPLANATION: Provides the correct program name.

Section B.1103:

~~(m) In fiscal year 2024, the amount of \$93,613 Clean Water Fund #21932 is appropriated to the Department of Forests, Parks and Recreation for one limited service Forester II position in accordance with Sec. E.100 of this act.~~



~~(n) In fiscal year 2024, the amount of \$402,525 Federal Revenue Fund #2205 is appropriated to the Department of Forests, Parks and Recreation for the following four IJA funded positions in accordance with Sec. E.100 of this act: one Climate Forester, two Forester IIs, and one Communications and Outreach Coordinator.~~

EXPLANATION: Strike subsections (m) and (n) and instead provide this funding in Section B.704 for consistency with recent historical practice for budgeting and accounting of Federal funds and Clean Water Funds.

Section B.1104(a):

In fiscal year 2024, the amount of \$18,000,000 General Fund is appropriated to the Office of the State Treasurer. This is the first year of a three-year funding requirement that will result in each pension system receiving a base funding supplement of \$15,000,000.

EXPLANATION: Grammatical correction.

Section B.1105 CAPITAL PROJECTS – FISCAL YEAR 2024 ONE-TIME APPROPRIATIONS:

~~Repeal.~~

EXPLANATION: Finance & Management recommends striking Sec. B.1105. The appropriations for capital projects funded by the Capital Infrastructure Reserve Fund should be made, pursuant to 32 V.S.A. § 701a, in the Capital Bill (H.493) as passed by the House and referred to the Senate Institutions Committee.

32 V.S.A. § 701a establishes specific technical requirements in subsections (b) and (c) for the “the spending authority authorized by a capital construction act.” Finance & Management implements these specific requirements in the VISION financial system, using a numbering system and technical configuration that is uniquely applied to capital appropriations as defined in 32 V.S.A. § 701a.

By locating capital project appropriations in H.494, the Appropriations Bill as defined in 32 V.S.A. § 701, rather than in H.493, the Capital Bill as defined in 32 V.S.A. § 701a, it is not evident in law that the financial control parameters and reporting requirements as set forth in 32 V.S.A. § 701a and cited below should be applied to these appropriations:



(c) The spending authority authorized by a capital construction act shall carry forward until expended, unless otherwise provided. All unexpended funds remaining for projects authorized by capital construction acts enacted in a legislative session that was two or more years prior to the current legislative session shall be reported to the General Assembly and may be reallocated in future capital construction acts.

(d) On or before January 15, each entity to which spending authority has been authorized by a capital construction act enacted in a legislative session that was two or more years prior to the current legislative session shall submit to the House Committee on Corrections and Institutions and the Senate Committee on Institutions a report on the current fund balances of each authorized project with unexpended funds.

Moreover, the section heading for B.1105 paradoxically describes the appropriations as being both made for “Capital Projects” and being “Fiscal Year 2024 One-time Appropriations.” This language creates conflict with statutory law and with what Finance & Management presumes to be the actual legislative intent. The technical implementation of “one-time appropriations” in the financial system involves a different numbering system and configuration than that used for “capital appropriations” as defined in 32 V.S.A. § 701a. Finance & Management expects the legislative intent of the appropriations in B.1105 is to establish them with the same accounting parameters as all other capital appropriations, and the provisions for their review and reallocation should be governed by 32 V.S.A. § 701a and by the statement of Legislative Intent in Sec. 1 of H.493, which refers to “all appropriations in this act.” For these reasons, Finance & Management recommends locating the appropriations enumerated in Sec. B.1105 in the Capital Bill (H.493) rather than in H.494.

Section C.100(a):

After satisfying the requirements of 32 V.S.A. § 308, and after other reserve requirements have been met, but prior to satisfying the requirements of 32 V.S.A. § 308c, the first ~~\$337,300,000~~ **\$335,200,000** of remaining unreserved and undesignated funds at the close of fiscal year 2023 shall remain in the General Fund and be carried forward to fiscal year 2024.

EXPLANATION: The General Fund operating statement unallocated total after the FY23 Budget Adjustment Act is \$335,200,000. The adjustment is due to a technical correction regarding Out-Of-State Beds in Corrections.

The Legislature’s General Fund operating statement must reduce the “Transfer (to)/from Reserve Retire/GF BalCF” amount by \$2.2M, in FY24, to remain in balance after the FY23 appropriations increase. The additional \$100K reduction, beyond the \$2.1M provided for above,



is due to the \$100K [5%] increase in the stabilization reserve requirement from increasing the FY23 appropriations by \$2M.

Section C.101:

(a) ~~Notwithstanding 2021 Acts and Resolves No. 74, Sec. E.335, as amended by 2022 Acts and Resolves No. 83, Sec. 62, and by 2022 Acts and Resolves No. 185, Sec. C.111, \$1,000,000 of Department of Corrections Out-of-State Bed General Fund appropriation carried forward from fiscal year 2022 shall revert to the General Fund in fiscal year 2023 for appropriation to Justice Reinvestment II in fiscal year 2023. Pursuant to 2023 Acts and Resolves No. 3 Section 106(e); the \$1,000,000 unallocated appropriation shall be allocated as follows:~~

(b) \$250,000 to Community Justice Centers to be distributed for the following:

- (1) \$95,640 for a 3 percent COLA increase for fiscal year 2024; and
- (2) \$154,360 in grants to be distributed equally to the 17 Community Justice Centers to be used for program development and implementation, technology upgrades, and staff and volunteer recruitment.

(c) \$250,000 for re-entry services to support the re-entry services for incarcerated women at Chittenden Regional Correctional Facility as provided by the Lund, Mercy Connections, Vermont Works for Women, and the DIVAS program.

(d) \$500,000 to the Department of Corrections for the development and implementation of the Offender Management System (OMS) intelligence layer.

EXPLANATION: The funds were already reverted from Out-of-State Beds and reappropriated to Justice Reinvestment II in the FY23 Budget Adjustment Act. \$1M was left unallocated in JRII for future action by the General Assembly.

Section C.102(c):

Any funds ~~expended~~ authorized to be used on ~~community-based service programs~~ justice reinvestment programs pursuant to subsection (b) of this section ~~shall be included in the subsequent year Department of Corrections budget for the same purpose at the same amount~~ may be spent carried forward over multiple fiscal years until fully expended.

EXPLANATION: Spending authority is carried forward for expenditure not spent.

Section D.101(b)(1):

North Country Hospital Loan Repayment	29,047	<u>24,047</u>
Springfield Hospital Promissory Note Repayment	121,412	<u>121,416</u>



EXPLANATION: The North Country Hospital Loan Repayment amount was overstated by \$5K in the Governor’s Recommendation and the Springfield Hospital Promissory Note Repayment was understated by \$4.

Section D.101(d)(1):

Pursuant to 32 V.S.A. § 308, an estimated amount of ~~\$1,768,423~~ \$1,669,311 shall be unreserved from the General Fund Budget Stabilization Reserve.

EXPLANATION: The reserve requirement must be increased for the FY23 correction which reduces the amount to be unreserved.

Section D.104:

This section provides no specific actions to be taken. Finance & Management recommends striking this language from the D section of the bill, which otherwise provides for specific reserve and transfer actions.

Section E.100(b)(1)(A):

The conversion of 46 limited service positions to classified permanent status is authorized in fiscal year 2024 as follows:

(1) ~~Criminal Justice Council~~ Department of Public Safety, State Police:

(A) one Victims Services Specialist;

EXPLANATION: The entity named for the conversion of the limited service position “Victims Services Specialist” to permanent status should be “Department of Public Safety, State Police” not “Criminal Justice Council.” Additionally, the actual title uses the term “Victim” in the singular rather than the plural form.

Section E.100(c):

The establishment of ~~30~~ 24 new classified limited service positions is authorized in fiscal year 2024 as follows:

EXPLANATION: The total includes 6 Deputy State’s Attorneys. Deputy State’s Attorneys are exempt positions.



Section E.100(c)(3)(A):

(3) Department of State's Attorneys and Sheriffs:

- ~~(A) six Deputy State's Attorneys;~~
- ~~(A) (B) six State's Attorney Legal Assistants;~~
- ~~(B) (C) six State's Attorney Victim Advocates; and~~
- ~~(C) (D) four State's Attorney Secretaries.~~

EXPLANATION: Deputy State's Attorneys are exempt positions. They should be moved to the new section E.100(d)(1) added below.

Section E.100(d)(1) is added to read:

(d) The establishment of 6 new exempt limited service positions is authorized in fiscal year 2024 as follows:

- (1) Six Deputy State's Attorneys

EXPLANATION: Add new subsection (d) to account for limited-service exempt positions.

Section E.111.1(a):

The Tax Computer System Modernization Fund #21909, is as established in the State Treasury per 2007 Acts and Resolves No. 65 Section 282 as amended, as is a special fund to support information technology improvements and initiatives of the Department of Taxes. Balances in the Fund shall be administered by the Department of Taxes and used exclusively for the purposes prescribed in subsection (c) of this section. Balances in the Fund at the end of each fiscal year shall be carried forward and remain part of the Fund. Interest earned by the Fund shall be deposited into the Fund.

EXPLANATION: Clarifies that the language is codifying an existing fund, not creating a new one.

Section E.131 STATE TREASURER'S OFFICE – VCBB ESCROW ACCOUNT

(a) In fiscal year 2024, pursuant to 10 V.S.A. § 10, the Treasurer is authorized to use up to \$20,000,000 of the State's average cash balance to establish an escrow account for the exclusive benefit of the Vermont Community Broadband Board and for the sole purpose of securing federal funding under the National Telecommunications and Information Administration's Enabling Middle Mile Broadband Infrastructure Program.



(b) On or before January 15, 2024, the Vermont Community Broadband Board shall submit a recommendation to the House and Senate Committees on Appropriations with a recommendation for legislative action to create a long-term funding plan for the Enabling Middle Mile Broadband Infrastructure Program.

COMMENTS: While Finance & Management does not have specific edits to prescribe for this section, it is not evident the establishment of an escrow account to serve as collateral for a federal loan to a State entity such as the VCBB is consistent with the intent of 10 V.S.A. §10, given the commonly accepted definition of “credit facility,” given the direction per 32 V.S.A. §433(b) that “[i]nvestments of State funds shall be made...considering the probable safety of their capital as well as the probable income to be derived,” and given the direction per 32 V.S.A. §433(c) that “[i]nvestments of State funds shall be made in accordance with written guidelines adopted by the Treasurer... [which] shall address the liquidity, diversification, safety of principal, yield, maturity, and quality and capability of investment management, with primary emphasis on safety and liquidity.”

The Administration is engaging with the Treasurer’s Office to discuss this concern and will continue to review both the statutory viability of the proposed escrow account and the resulting implications for the State’s General Fund operating statement in line with best financial accounting principles, should the bill’s current language become law.

Section E.133:

~~(a) The funds appropriated from the pension systems for administrative costs in Secs. B.133, B.134, and B.514.1 of this act are intended to provide spending authority needed to cover the operating costs of the State’s pensions systems, including transferring funds from the State’s pension systems to the Treasurers Retirement Admin Costs Fund (21520) and to the Vermont Pension Investment Commission Special Fund (21521) to cover the portion of the Treasurer’s budget attributable to the State’s pension systems and the Vermont Pension Investment Commission’s budget.~~

~~(1) Of the \$2,857,679 \$2,990,679 appropriated in Sec. B.133 of this act, \$1,937,839 \$2,018,947 constitutes the Vermont State Employees’ Retirement System operating budget, and \$919,840 \$971,732 constitutes the portion of the Vermont Pension Investment Commission’s budget attributable to the Vermont State Employees’ Retirement System.~~

~~(2) Of the \$1,650,789 appropriated in Sec. B.134 of this act, \$1,309,958 constitutes the Vermont Municipal Employees’ Retirement System operating budget, and \$340,831 constitutes the portion of the Vermont Pension Investment Commission’s budget attributable to the Vermont Municipal Employees’ Retirement System.~~



~~(3) Of the \$3,299,987 appropriated in Sec. B.514.1 of this act, \$2,309,460 constitutes the Vermont State Teachers' Retirement System operating budget, and \$990,527 constitutes the portion of the Vermont Pension Investment Commission's budget attributable to the Vermont State Teachers' Retirement System.~~

EXPLANATION: The E section language should match with the corresponding B section appropriation. Adjustments necessary to reflect the increased cost of one new VPIC Administrative Assistant position created in E.100(a)(1)(N)(i) and four new Treasurer's Office positions created in E.100(a)(1)(N)(iii)-(vi).

Section E.134:

~~(a) Of the \$1,650,789 \$1,721,823 appropriated in Sec. B.134 of this act, \$1,309,958 \$1,361,777 constitutes the Vermont Municipal Employees' Retirement System operating budget, and \$340,831 \$360,046 constitutes the portion of the Vermont Pension Investment Commission's budget attributable to the Vermont Municipal Employees' Retirement System.~~

EXPLANATION: The E section language should match with the corresponding B section appropriation. Adjustments necessary to reflect the increased cost of one new VPIC Administrative Assistant position created in E.100(a)(1)(N)(i) and four new Treasurer's Office positions created in E.100(a)(1)(N)(iii)-(vi).

Section E.142(a):

The appropriation in Sec. B.142 of this act is for State payments in lieu of property taxes under 32 V.S.A. ~~§ 3701~~Chapter 123, Subchapter 4. The payments shall be calculated in addition to and without regard to the appropriations for PILOT for Montpelier and for correctional facilities elsewhere in this act. Payment in lieu of taxes under this section shall be paid for the PILOT Special Fund under 32 V.S.A. § 3709.

EXPLANATION: Subchapter 4 provides for State PILOT payments. Section 3701 is specific to definitions which do not include PILOT payments.

Section E.300:

Of the funds appropriated in Sec. B.300 of this act:

(1) \$1,847,406 shall be used for the contract with the Office of the Health Care Advocate;
and

(2) \$1,717,994 for the Poverty Law Project; and



(23) \$500,000 is for the purposes of maintaining current Vermont Legal Aid program capacity and addressing increased requests for services, including eviction prevention and protection from foreclosure and consumer debt.

EXPLANATION: The House language does not include the total of currently appropriated funds to the VLA and could be interpreted as an overall reduction in funds. The proposed technical change prevents an inadvertent reduction to the Governor’s recommended appropriation level.

Section E.300.2:

Repeal

EXPLANATION: The language states an intent but provides no directive. This should be included in the Statement of Legislative Intent for fiscal year 2024

Section E.307.1(a):

On or before January 15, 2024, the Director of Health Care Reform in the Agency of Human Services, in conjunction with the Department of Financial Regulation, shall recommend to the House Committees on Health Care and on Appropriations and the Senate Committees on Health and Welfare, on Appropriations, and on Finance the amounts by which health insurers and Vermont Medicaid should increase the amount of the per person, per month payments they make to Blueprint for Health patient-centered medical homes in furtherance of the goal of providing the additional resources necessary for delivery of comprehensive primary care services to Vermonters and in order to sustain access to primary care services in Vermont. The Agency shall provide an estimate of the State funding that would be needed to support the increase for Medicaid, both with and without federal financial participation. The Agency shall also evaluate and report on potential mechanisms for ensuring that all payers are contributing equitably to the Blueprint on behalf of their covered lives in Vermont, including a consideration of supporting Blueprint initiatives through the health care claims tax established in 32 V.S.A. chapter 243.

EXPLANATION: Any evaluation as defined in H.494 would need to be conducted in conjunction with the Department of Financial Regulation. Regarding consideration of supporting Blueprint initiatives through the Health Care Claims tax:

- 1) Health Care Claims tax proceeds now largely accrue to the General Fund as fungible revenue and are no longer explicitly tied to GC programs/investments as matching funds. However, HIT funds are used as a matching source for health information technology projects;



-
- 2) General Fund and HIT fund sources that are appropriated as matching funds for either GC programs/investments, or for matching funds for health information technology projects are fully subscribed.

Section E.312.1(h):

~~Appropriation. The sum of \$100,000 is appropriated to the Department of Health from the General Fund in fiscal year 2024 to support the work of the Committee as set forth in this section, including hiring a consultant to assist the Committee in conducting its study and writing a report on its findings and recommendations.~~

EXPLANATION: This language is duplicative; \$100,000 of General Fund was already appropriated for this purpose as a one-time in B.1100(o)(7).

Section E.313(a):

In fiscal year 2024, the Department of Health shall provide additional grants from the Global Commitment ~~fund~~ in the amount of \$1,850,000 to Vermont's 123 recovery centers, ~~along with including~~ Jenna's Promise and Vermont Recovery Partners ~~of Vermont., for recovery center operations.~~ The methods by which these funds are distributed shall be determined by mutual agreement of the Department and the recipients ~~recovery centers~~. The performance period of these grants shall be State fiscal year 2024. Recipients ~~recovery centers~~ shall report outcomes to the Department.

EXPLANATION: Technical corrections

Section E.318(a):

~~It is the intent of the General Assembly increased funding appropriated in fiscal year 2024 to the parent child centers be used to increase employee salaries and benefits, and not for new or expanded programming.~~

EXPLANATION: The language provides no directive it simply states an intent. This should be included in the Statement of Legislative Intent for fiscal year 2024.



Section E.318.1(a):

On or before January 1, 2024, the Department for Children and Families shall develop and submit a plan to coordinate and deliver ~~crisis standards, including for~~ emergency housing and shelter with strong connections to housing, health, and employment services, to the House Committees on Human Services and on General and Housing and to the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare. In developing the plan, the Department shall consult with stakeholders who specialize in homelessness prevention and mitigation, including those organizations who participated in developing the Vermont Roadmap to End Homelessness developed pursuant to 2016 Acts and Resolves No. 172, Sec. B.1102(a).

EXPLANATION: Technical changes are required due to the lack of “crisis standards” in General Assistance Emergency Housing rules.

Section E.325(a):

Of the General Fund appropriation in Sec. B.325 of this act, ~~\$14,789,597~~ \$18,776,814 shall be granted to community agencies to assist individuals experiencing homelessness by preserving existing services, increasing services, or increasing resources available statewide. These funds may be granted alone or in conjunction with federal Emergency Solutions Grants funds. Funds shall be administered in consultation with the Vermont Coalition to End Homelessness.

EXPLANATION: Change in the amount to align with legislative intent.

Section E.335:

Sec. ~~E.335~~ E.339 CORRECTIONS OUT-OF-STATE BEDS APPROPRIATION; UNEXPENDED FUNDS ~~CARRY FORWARD TO RESERVED FOR JUSTICE REINVESTMENT II APPROPRIATION; REPORT~~

- (a) In fiscal year 2024, any unexpended funds for the Department of Corrections – Correctional services out-of-state beds appropriation will be ~~carried forward to reserved for appropriation in Sec. B.338.1 Corrections – Justice Reinvestment II in~~ fiscal year 2025, and the amount reported to the Joint Legislative Justice Oversight Committee in September 2024, to provide funding for justice reinvestment related programs. Funds may only be appropriated for ~~expended on~~ justice reinvestment-related programs upon approval of the Joint Legislative Justice Oversight Committee. ~~The House Committees on Appropriations and on Corrections and Institutions and the Senate Committees on Appropriations and on Judiciary will be notified of any proposed expenditures on justice reinvestment related programs.~~



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- (b) Any funds ~~authorized to be used~~ appropriated for use on justice reinvestment-related programs pursuant to subsection (a) of this section ~~may be spent over multiple fiscal years shall carry forward~~ until fully expended.

EXPLANATION: Section number E.335 corresponds to the Corrections – administration appropriation, not to the Corrections – Correctional services-out of state beds appropriation, which is Section B.339. The section header should be changed from E.335 to E.339. The language in E.335 as passed by the House requires any fiscal year 2024 balance in the Corrections – Correctional services-out of state beds appropriation to be carried forward into the next fiscal year for expenditure on Justice Reinvestment related programs. This language would require spending from the Corrections – Correctional services-out of state beds appropriation on a purpose for which a separate dedicated appropriation exists. As an alternative to implement this legislative intent, Finance & Management recommends reserving any unexpended funds remaining in Corrections – Correctional services-out of state beds at the close of FY2024 and requiring the reappropriation of these funds in Sec. B.338.1 Corrections – Justice Reinvestment II in FY2025. Finance & Management also suggests striking the language regarding committee notification prior to expenditures, since under this revised construct that reserves the funds for reappropriation, no expenditures could take place prior to reappropriation of the funds to Justice Reinvestment II in the Budget Adjustment Act (a process to which the committees in question would be parties).

Section E.335.1:

Sec. E.~~335.1~~ 339.1 CORRECTIONAL SERVICES; OUT-OF-STATE BEDS

(a) In fiscal year 2024, ~~to~~ to the extent that the General Fund ~~is reduced in~~ appropriated to the Corrections - Correctional Services – out-of-state beds ~~appropriation~~ under Sec. B.339 of this act ~~is reduced~~, the corresponding amount of General Fund ~~is budgeted in~~ appropriated to the Correctional Services ~~Corrections - Justice Reinvestment II appropriation~~ under Sec. B.338.1 of this Act shall be increased in a net-neutral manner. ~~As a result of this neutral reallocation of General Fund among the two appropriations, any unexpended appropriations remaining in Correctional Services – out-of-state beds appropriation on June 30 of any fiscal year shall revert pursuant to 32 V.S.A. § 703.~~

EXPLANATION: The change in section header numbering is recommended per Section E.335 comments above. The intent of E.335.1 as passed by the House is that any reduction to Corrections – Correctional services-out of state beds during the fiscal year be added to the Justice Reinvestment II appropriation. The technical edits described above are recommended to require the implementation of this intent. Note that such implementation would require an act of the General Assembly in the fiscal year 2024 Budget Adjustment Act.



The last sentence of E.335.1 is struck because the revised language of the preceding section requires the reservation (for reappropriation to JR II) of any unexpended balance at year end close out. Any unexpended balance could not be simultaneously reserved and reverted.

Section E.338.1

Section E.338.~~1~~a

EXPLANATION: The language pertains to Correctional Services and not Justice Reinvestment II so the E Section should correspond to the appropriate B Section. Given that 338.1 is already used for another appropriation the default is a.

Section E.338.2

Section E.338.~~2~~b

EXPLANATION: The language pertains to Correctional Services and not Justice Reinvestment II so the E Section should correspond to the appropriate B Section. 338.b.

Section E.338.3

Section E.338.~~3~~c

EXPLANATION: The language pertains to Correctional Services and not Justice Reinvestment II so the E Section should correspond to the appropriate B Section. 338.c.

Section E.338.4

§ 808e. ABSCONDING FROM FURLOUGH; WARRANT 8 (a) “Absconded” has the same meaning as “absconding” as defined in 9 subdivision 722(1)~~(A)~~ of this title.

EXPLANATION: Technical adjustment to the citation provided.



Section E.338.4

Section E.338.4d

EXPLANATION: The language pertains to Correctional Services and not Justice Reinvestment II so the E Section should correspond to the appropriate B Section. 338.d.

Section E.339(a) is added to read:

(a) Any General Fund balance remaining in the Corrections – Correctional services-out of state beds appropriation, section B.339, at the close of the fiscal year shall be reserved for appropriation by the General Assembly to the Corrections – Justice Reinvestment II appropriation, section B.338.1, in the following fiscal year.

EXPLANATION: The language reserves the General Fund balance remaining in the Out-of-State Beds appropriation at the end of the fiscal year for appropriation to JR II, by the General Assembly, the following fiscal year. This language should be codified if the General Assembly requires this action be performed on an annual basis.

Section E.345:

Repeal section E.345 and move the language to section E.300.5.

EXPLANATION: The Green Mountain Care Board serves only in a consultative manner under this language. The directive is to the Secretary of Human Services.

Section E.504(b):

(b) Notwithstanding 16 V.S.A. § 4025(b), of this Education Fund appropriation, the amount of:

- (1) \$921,500 is available for dual enrollment programs notwithstanding 16 V.S.A. § 944(f)(2);
- (2) \$2,000,000 is available to support the Vermont Virtual High School;
- (3) \$400,000 is available for secondary school reform grants;
- (4) ~~\$3,400,000~~\$4,000,000 is available for Early College pursuant to 16 V.S.A. § 946; and
- ~~(5) \$600,000 is available for the Vermont Academy of Science and Technology~~

EXPLANATION: Per 16 V.S.A. 946 § 946(a)(1), the Vermont Academy of Science and Technology (VAST) is part of the Early College program.



Section E.504:

Section 504.1.

EXPLANATION: The language in this section pertains to Flexible Pathways, Sec. B.504.1, not Sec. B.504 Education – adult education and literacy.

Section E.514.1a:

(a) Of the ~~\$3,299,987~~ \$3,448,255 appropriated in Sec. B.514.1 of this act, ~~\$2,309,460~~ \$2,401,835 constitutes the Vermont State Teachers' Retirement System operating budget, and ~~\$990,527~~ \$1,046,420 constitutes the portion of the Vermont Pension Investment Commission's budget attributable to the Vermont State Teachers' Retirement System.

EXPLANATION: The E section language should match with the corresponding B section appropriation. Adjustments necessary to reflect the increased cost of one new VPIC Administrative Assistant position created in E.100(a)(1)(N)(i) and four new Treasurer's Office positions created in E.100(a)(1)(N)(iii)-(vi).

Section E.514.1:

Section 514.1b

EXPLANATION: Multiple language sections pertain to the Section B.514.1 appropriation.

Section E.514.2:

Section 514.1c

EXPLANATION: Multiple language sections pertain to the Section B.514.1 appropriation.

Section E.514.3:

Section 514.1d

EXPLANATION: Multiple language sections pertain to the Section B.514.1 appropriation.



Section E.700(a):

Purpose. The purpose of the Clean Heat Homes Program is to provide incentives for weatherization, clean heat systems, and electrification ready upgrades for low- and moderate-income Vermonters. The Program shall ~~be~~ focus on underserved households who are not eligible for the Weatherization Assistance Program operated by the Department for Children and Families – Office of Economic Opportunity but who earn less than 120 percent of Area Median Income.

EXPLANATION: Grammatical correction.

Section E.700(b):

The Agency of Natural Resources shall grant \$3,000,000 of [insert fund name] funds to the Vermont Energy Investment Corporation to administer the Program.

EXPLANATION: The grant requires a fund source.

Section E.900(a):

To calculate the fiscal year 2024 Transportation Fund Stabilization Reserve requirement of five percent of prior year appropriations, reversions of \$20,727,01~~2~~ are excluded from the fiscal year 2023 total appropriations amount.

EXPLANATION: \$20,727,012 is the actual reversion amount.

Section F.1(a):

Of the \$1,500,000 appropriated from the General Fund to the Department of Labor in 2022 Acts and Resolves No. 183, Sec. 5a., **\$1,200,000 is reverted to the General Fund** in fiscal year 2024 and allocated as follows:

EXPLANATION: The House reverted \$1,200,000 from a \$1,500,000 appropriation in Act 183 of 2022, Section 5a, but did not repeal or amend the language that applies to the program. The House has, therefore, imposed an unfunded mandate upon the Department of Labor.



Section F.8:

(c) Except as provided by subsection (d) of this section, any communication made by a participant or peer support specialist in a peer support session, including any oral or written communication, such as notes, records, and reports related to the peer support session, shall not be admissible in a judicial, administrative, or arbitration proceeding. Limitations on disclosure imposed by this subsection include disclosure during any discovery conducted as part of an adjudicatory proceeding. Limitations on disclosure imposed by this subsection shall not include knowledge acquired by the Department or staff members from observations made during the course of employment or information acquired by the ~~by the~~ Department or staff members during the course of employment that is otherwise subject to discovery or introduction into evidence.

EXPLANATION: Grammatical correction.

Section F.18(b):

The Vermont Psychiatric Mental Health Nurse Practitioner Forgivable Loan Incentive Program is created and shall be administered by the ~~Department of Health Corporation~~ in collaboration with the ~~Corporation~~ Department of Health. The Program provides forgivable loans to students enrolled in a master's program at an eligible school who commit to working as a psychiatric mental health nurse practitioner in this State and who meet the eligibility requirements in subsection (d) of this section.

EXPLANATION: The House language indicates the program will be administered by the Department of Health in collaboration with VSAC. This is inconsistent with the \$1M direct appropriation of General Fund to VSAC in Sec. B.1101(f)(1).

