

Explanation of Budget Development Form

Sec.B.311 – Admin and Support Appropriation

Personal Services:

1. Salary and Fringe – \$41,083
Reflects the change in salary and fringe costs for existing positions in FY24 over FY23. Excludes the impact of changes in the retirement rate.
2. Technical Adjustment – Position Fund Splits to Earnings – (\$64)
Reflects updates to the fund split for positions funded by departmental administration to bring funding for those positions in line with historical actuals.
3. Adjustment to Vacancy Savings – (\$20,044)
Reflects an adjustment to vacancy savings to proportionately apply vacancy savings to general fund and global commitment.
4. Retirement – \$55,551
Reflects the change in retirement rate from 25.5% in FY23 to 26.7% in FY24 for existing positions.
5. Salary and Fringe Increase – New Positions - \$196,223
Salary and fringe costs for 2 new positions funded by federal grants.
6. FY24 Impact of Position Class Action Reclassification Requests - \$4,908
Reflects the estimated FY24 impact of position class action reclassification requests in the Admin and Support appropriation.
7. Internal Service (ISF) Workers Compensation – (\$2,926)
Decreased cost of workers compensation insurance over FY23. Amount provided by Finance.

Sec.B.311 – Admin and Support Appropriation (continued)**Operating Expenses:**

1. Internal Service (ISF) Changes. These 5 lines reflect changes to the cost of internal service charges over FY23. The net effect of these changes is an overall increase of \$248,532. Amounts provided by Finance.
 - ADS - \$73,056
 - DHR - \$59,018
 - VISION - \$108,844
 - General Liability - \$4,373
 - Property/Commercial Insurance - \$3,241
2. Net Operating Expense Account Code Changes – net \$0
This line reflects changes in the funding mix for operating expense account codes based on actual historical cost and expected funding. There is no change in the overall amount budgeted. The change is in the sources of funding for the expenses.

Grants:

1. Removes Scholarship funding that was matched with Act 155 one-time - (\$2,272,727)
During the 2021 legislative session, the general assembly appropriated one-time funding for a temporary expansion of programming for scholarships for medical and nursing students. Funding will not be available after FY23.

Sec.B.312 – Public Health Appropriation**Personal Services:**

1. Salary and Fringe - \$2,055,672
Reflects the change in salary and fringe costs for existing positions in FY24 over FY23. Excludes the impact of changes in the retirement rate.
2. Technical Adjustment – Position Fund Splits to Earnings - \$23
Reflects updates to the fund split for positions funded by division administration to bring funding for those positions in line with historical actuals.
3. Adjustment to Vacancy Savings – (\$223,198)
Reflects increased vacancy savings for general fund and global commitment.
4. Retirement – \$435,168
Reflects the change in retirement rate from 25.5% in FY23 to 26.7% in FY24 for existing positions.

Sec.B.312 – Public Health Appropriation (continued)

5. Salary and Fringe Increase – New Positions - \$3,034,494
Salary and fringe costs for 26 new positions funded with federal grants including:
 - 18 positions funded by Immunization grants
 - 8 positions funded by the Public Health Emergency Response supplemental award
6. FY24 Impact of Position Class Action Reclassification Requests - \$733,150
Reflects the estimated FY24 impact of position class action reclassification requests in the Public Health appropriation.

Operating Expenses:

1. Opioid Antagonist Utilization Increase - \$2,380,000
The Health Department provides naloxone, a medication that can reverse an overdose caused by an opioid drug, and training through collaborations with community-based organizations. These partners distribute naloxone and provide overdose response training, opioid misuse prevention training, and referrals to treatment across Vermont. Opioid overdose fatalities and the involvement of fentanyl in opioid overdoses has increased since 2019 driving increased demand for naloxone. Additional funding is necessary to meet demand and continue providing this life-saving drug to Vermonters.

Proposed funding for this increase is as follows:

- \$400,000 increase in special fund appropriation from the Evidence Based Education and Advertising Fund (21912). Annual revenue from the pharmaceutical manufacturer fee, which is the revenue source for the Evidence Based Education and Advertising Fund, is approximately \$400,000 greater than current appropriations from the fund.
 - \$1,980,000 appropriation from the Opioid Abatement Special Fund established by Act 118 of 2022. The act establishes promoting the appropriate use of naloxone as a priority for the expenditures from the fund. Based on preliminary information received from the Office of the Attorney General, the fund is expected to have receipts on hand in fiscal year 2024 sufficient to fund this cost increase, and would have annual receipts over the next 15 years sufficient to maintain this level of funding.
2. ISF Fee for Space - \$163,206
Increased cost of fee for space over FY23. Amount provided by Finance.

Sec.B.312 – Public Health Appropriation (continued)

3. Net Operating Expense Account Code Changes – net \$0

This line reflects changes in the funding mix for operating expense account codes based on actual historical cost and expected funding. There is no change in the overall amount budgeted. The change is in the sources of funding for the expenses.

Grants:

1. DVHA Self-Management MOU - \$664,163

The Health Department and the Department of Vermont Health Access (DVHA) have a memorandum of understanding (MOU) for the purpose of administering statewide self-management programming. This line provides the spending authority needed for this agreement.

2. DMH Pediatric Mental Health Care Access (PMHCA) MOU - \$45,500

The Health Department and the Department of Mental Health (DMH) have a MOU for the purpose of promoting behavioral health integrations into pediatric primary care by supporting pediatric mental health care telehealth access programs. This line provides the spending authority needed for this agreement.

Sec.B.313 – Substance Use Programs Appropriation**Personal Services:**

1. Salary and Fringe - \$270,241

Reflects the change in salary and fringe costs for existing positions in FY24 over FY23. Excludes the impact of changes in the retirement rate.

2. Technical Adjustment – Position Fund Splits to Earnings - \$112

Reflects updates to the fund split for positions funded by division administration to bring funding for those positions in line with historical actuals.

3. Adjustment to Vacancy Savings – (\$1,552)

Reflects increased vacancy savings for general fund.

4. Retirement – \$45,803

Reflects the change in retirement rate from 25.5% in FY23 to 26.7% in FY24 for existing positions.

5. Salary and Fringe Increase – New Positions - \$405,766

Salary and fringe costs for 4 new positions funded by federal grants.

Sec.B.313 – Substance Use Programs Appropriation (continued)**Grants:**

1. Convert Recovery Centers to GC Investment – net \$0
Reflects a change in the funding mix for grants to recovery centers. Grant award amounts are unchanged.
2. Alignment of SFY23 base appropriations – (\$2,000,000)
Expansion of Substance Use Disorder (SUD) Treatment (increased capacity) - \$954,348
Enhance Residential Treatment (expand services and rates) – \$1,594,484

The above lines reflect a realignment of the \$2,000,000 in general fund appropriated in FY23 for SUD treatment expansion to prioritize supporting existing provider capacity. This change acknowledges the current reality that existing residential treatment providers are struggling to operate at full capacity due to extraordinary operating costs. Additional financial support is needed to ensure the ongoing operation of all existing residential treatment beds within the State.

\$1,594,484 is budgeted for the stabilization of existing residential treatment providers to be funded in part as Medicaid investment. This heightened level of support is expected to stabilize and level off. Future budget proposals will reflect situational changes.

\$954,348 in general fund is budgeted to support the development of additional sobering beds, lower-level residential beds, recovery residence programming, and new capacity in existing residential facilities.

3. Substance Misuse Prevention - \$1,410,000
32 VSA § 7909(a) states that 30% of cannabis excise tax revenue shall be used to fund substance misuse prevention. This appropriation of \$1,410,000 reflects 30% of the projected cannabis excise tax revenue for state fiscal year 2023.