

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

It is recommended that Sec. B.1105 be struck in its entirety from H.494, and that the appropriations for capital projects funded by the Capital Infrastructure Reserve Fund proposed in this section should instead be made, pursuant to 32 V.S.A. § 701a, in the Capital construction bill (H.493) recently passed by the House and referred to the Senate Institutions Committee.

Statutory law as established in 32 V.S.A. § 701a sets forth specific technical requirements in subsections (b) and (c) for the “the spending authority authorized by a capital construction act.” The Department of Finance & Management implements these specific requirements in the VISION financial system, using a numbering system and technical configuration that is unique to capital appropriations as defined in 32 V.S.A. § 701a.

By locating capital project appropriations in H.494, the General appropriation bill as defined in 32 V.S.A. § 701, rather than in H.493, the Capital construction 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 expects to be the actual legislative intent. The technical implementation of “one-time appropriations” in the financial system involves a different numbering system and configuration that used for “capital appropriations” as defined in 32 V.S.A. § 701a. Finance & Management expects that the legislative intent of the appropriations in B.1105 is that they would be established with the same accounting parameters as all other capital appropriations, and that 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.