

Proposed CECF language and unexpended fund language

Rebecca Wasserman

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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~~ tangible capital investments, as
21 described in Sec. 310 of this title, with an anticipated lifespan of 20 years or
22 more; and

23 (2) projects with an anticipated lifespan of 20 years;

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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. The Commissioner of Buildings

6 and General Services shall include in the Department's proposed biennial

7 capital budget request, as described in 32 V.S.A. § 310, a plan with proposed

8 uses for the Fund. The House Corrections and Institutions Committee shall

9 review the plan and recommend projects to be paid for from the Fund to the

10 House Committee on Appropriations. Expenditures shall only be made from

11 the Fund by appropriation by the General Assembly.

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

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

14 (f) Spending authority. Any entity authorized to make expenditures from

15 the Fund shall have not more than two years from the legislative session in

16 which the act authorizing the expenditure was enacted to encumber the funds.

17 Any remaining unencumbered funds shall remain part of the Fund.

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

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

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

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

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

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

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1 § 1001. CAPITAL DEBT AFFORDABILITY ADVISORY COMMITTEE

2 * * *

3 (c) Committee estimate of a prudent amount of net State tax-supported
4 debt; affordability considerations. On or before September 30 of each year, the
5 Committee shall submit to the Governor and the General Assembly the
6 Committee's estimate of net State tax-supported debt that prudently may be
7 authorized for the next fiscal year, together with a report explaining the basis
8 for the estimate. The Committee's estimate shall not take into consideration
9 the balance remaining at the end of each fiscal year in the Capital
10 Infrastructure Reserve Fund, established pursuant to Sec. 1001B of this title.

11 The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not
12 apply to the report to be made under this subsection. In developing its annual
13 estimate, and in preparing its annual report, the Committee shall consider:

14 * * *

15 Sec. 3. 32 V.S.A. § 307 is amended to read:

16 § 307. FORM OF BUDGET

17 (a) The budget shall be arranged and classified so as to show separately the
18 following estimates and recommendations:

19 * * *

20 (f) The budget shall also include the Governor's recommendation for any
21 proposed transfers to the Capital Infrastructure Reserve Fund, established in
22 Sec. 1001b of this title.

23 Sec. 4. 32 V.S.A. § 701a is amended to read:

1 § 701A. CAPITAL CONSTRUCTION BILL

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

8 (1) a prudent amount of total general obligation bonding for the
9 following fiscal year, for support of the capital budget, in consideration of the
10 recommendation of the Capital Debt Affordability Advisory Committee
11 pursuant to chapter 13, subchapter 8 of this title; and

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

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

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

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

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

4 (d)~~(1)~~ On or before ~~January 15~~ November 15 each year, the Commissioner
5 of Finance and Management shall require each entity to which spending
6 authority has been authorized by a capital construction act enacted in a
7 legislative session that was two or more years prior to the current legislative
8 session ~~shall submit to the House Committee on Corrections and Institutions~~
9 ~~and the Senate Committee on Institutions~~ to submit a report on the current fund
10 balances of each authorized project with unexpended funds. The report shall
11 include plans for the unexpended funds, any projects or contracts the funds are
12 assigned to, and an anticipated timeline for expending the funds.

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

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