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APPROPRIATIONS

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MEMORANDUM

To: Rep. Ancel, Chair, House Committee on Ways and Means
From: Rep. Johnson, Chair, House Committee on Appropriations
Date: February 12, 2015
Subject: Review of Provisions in the Governor's Proposed FY 2016 Budget

The House Appropriations Committee is in the process of taking testimony on the Governor's fiscal year 2016 budget proposal. There are several provisions that fall under the jurisdiction of the House Committee on Ways and Means. Some provisions are included for informational purposes; however, you are welcome to comment on any of them. It would be helpful if your committee could review the provisions and provide recommendations by March 11th.

Please find below the items that I would like your committee to review. Thank you very much for your consideration.

Sec. E.111.1 ONE-TIME FISCAL YEAR 2016 APPROPRIATIONS TO IMPLEMENT NEW REVENUE SOURCES

(a) The amount of \$3,470,000 in General Fund is appropriated to the Tax Department for contracts and associated costs for implementation of new revenue sources.

(b) The amount of \$1,943,060 in General Fund is appropriated to the Secretary of Administration, which may be allocated to Departments to pay the State's health care payroll tax liability.

EXPLANATION: Costs associated with new proposed revenue source for the State Health Care Resources Fund.

Sec. E.225.2 6 V.S.A. Sec. 121 is amended to read:

Sec. 121. Creation and purpose

There is created within the agency of agriculture, food and markets a central testing laboratory for the purpose of assisting the agency in the performance of the duties required of it by law providing agricultural and environmental testing services.

EXPLANATION: In order to provide greater efficiency, lower costs of analysis and reduce redundancy of services, the Agency of Agriculture and Department of Environmental Conservation laboratory analytical services will be merged into a single laboratory functional group. In order to accomplish this merger, certain statutory amendments are required as noted here.

Sec. E.225.3 6 V.S.A. Sec. 122 is amended to read:

Sec. 122. Fees

Notwithstanding 32 V.S.A. § 603, the agency shall establish fees for ~~any tests conducted providing agricultural and environmental testing services~~ at the request of private individuals and State agencies. The fees shall ~~cover the costs of the tests and any administrative work performed in conjunction with the test, including but not limited to collection costs~~ be reasonably related to the cost of providing the services. Fees collected under this chapter shall be credited to a special fund which shall be established and managed pursuant to 32 V.S.A. chapter 7, subchapter 5, and which shall be available to the Agency to offset the cost of providing the services.

EXPLANATION: In order to provide greater efficiency, lower costs of analysis and reduce redundancy of services, the Agency of Agriculture and Department of Environmental Conservation laboratory analytical services will be merged into a single laboratory functional group. In order to accomplish this merger, certain statutory amendments are required as noted here.

Sec. E.225.4 REPEAL

(a) 3 V.S.A. Sec. 2822(n) (environmental testing laboratory services) is repealed.

(b) The balance in the Environmental Conservation – Laboratory Receipts Special Fund (SF#21861) is transferred to the Agriculture, Food and Markets – Laboratory Testing Special Fund (SF#21667).

EXPLANATION: In order to provide greater efficiency, lower costs of analysis and reduce redundancy of services, the Agency of Agriculture and Department of Environmental Conservation laboratory analytical services will be merged into a single laboratory functional group. In order to accomplish this merger, certain statutory amendments are required as noted here.

Sec. E.513 Appropriation and transfer to education fund

(a) Pursuant to Sec. B.513, and notwithstanding the provisions of 16 V.S.A. Sec. 4025(a)(2), there is appropriated in fiscal year 2016 from the General Fund for transfer to the Education Fund the amount of \$300,378,103.

EXPLANATION: The general fund appropriation to the education fund is calculated to reflect a reduced contribution to the current use appropriation, and a re-focusing of the Corrections Community High School of Vermont program.

Sec. E.806 TOURISM AND MARKETING INITIATIVE

(a) Up to 15%, but not to exceed \$750,000, of the amount of meals and rooms tax revenue for fiscal year 2016 projected at the January 20, 2015 Emergency Board meeting as part of the revenue forecast pursuant to 32 V.S.A. Sec 305a, that exceeds the fiscal year 2016 projection for the meals and rooms tax at the July 24, 2014 Emergency Board meeting, shall be deposited in a special fund available to the Agency of Commerce and Community Development for purposes of tourism and marketing support and promotion. This funding is contingent on a General Fund surplus at the end of fiscal year 2016 adequate to support the deposit.

EXPLANATION: Makes funding available for tourism and marketing initiatives.