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APPROPRIATIONS

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**MEMORANDUM**

To: Rep. Janet Ancel, Chair, House Committee on Ways and Means  
From: Rep. Mitzi Johnson, Chair, House Committee on Appropriations  
Date: February 2, 2016  
Subject: Provisions in the Governor's Proposed FY 2017 Budget

The House Appropriations Committee has started work on the Governor's proposed FY 2017 Budget and would like to inform you about proposals that fall under the jurisdiction of the Committee on Ways and Means.

The House Appropriations Committee welcomes and appreciates your input and would like to give you the opportunity to comment on any of the proposals; however, it is not necessary to respond to all of the proposals unless you have concerns or recommendations. If you would like to respond it would be helpful if you could do so by the end of the day on February 24th.

**Sec. B.1104** FISCAL YEAR 2017 ONE-TIME TAX IT SECURITY FUNDING

(a) In fiscal year 2017, \$350,000 of general funds is appropriated to the Department of Taxes for the purchase and implementation of Tax IT security system.

**EXPLANATION:** One-time appropriation to the Department of Taxes to provide monitoring software for the new ITS system. Will bring the new system into compliance with IRS safeguard standards.

**Sec. E.111 Tax** – administration/collection

(a) Of this appropriation, \$15,000 is from the Current Use Application Fee Special Fund and shall be appropriated for programming changes to the CAPTAP software used by municipalities for establishing property values and administering their grand lists.

**EXPLANATION:** This is an annual piece of language that covers admin costs for the current use program software. Usually this appropriation is \$30k but they don't use all of the spending authority so we cut it to \$15k for FY17.

**Sec. E.502** Education – special education: formula grants

(a) Of the appropriation authorized in this section, and notwithstanding any other provision of law, an amount not to exceed \$3,566,019 shall be used by the Agency of Education in fiscal year 2016 as funding for 16 V.S.A. § 2967(b)(2) – (6). In distributing such funds, the Secretary shall not be limited by the restrictions contained within 16 V.S.A. § 2969(c) and (d). In addition to funding for 16 V.S.A. § 2967(b)(2)–(6), up to \$192,805 may be used by the Agency of Education for its participation in the higher education partnership plan.

**EXPLANATION:** The language establishes how much of the special education funding formula shall be used for 16 V.S.A. Sec 2967(b)(2)-(6). It also allows use of these funds to go to entities other than school districts such as UVM and the Vermont Association for the Blind and Visually Impaired. Standard language.

**Sec. E.504** Education – adult education and literacy

(a) Of this appropriation, \$4,000,000 from the Education Fund shall be distributed to school districts for reimbursement of high school completion services pursuant to 16 V.S.A. § 1049a(c). Notwithstanding 16 V.S.A. § 4025(b), of this Education Fund appropriation, the amount of:

(1) \$625,000 is available for dual enrollment programs consistent with 16 V.S.A. § 944(f)(2), and the amount of \$25,000 is available for use pursuant to Sec. E.605.1 of this act; and

(2) \$100,000 is available to support the Vermont Virtual Learning Collaborative at the River Valley Regional Technical Center School District.

**EXPLANATION:** Language ensures that education funds are paid directly to school districts to fund the high school completion program, to help fund the dual enrollment program created in 16 V.S.A. Sec 944, and to support distance learning in Vermont schools. The dual-enrollment funding in this section is a partial appropriation and adds to the amount provided through the Next Generation Fund. Total \$4M is same as in FY 2016.

**Sec. E.513** 16 V.S.A. § 4025(a)(2) is amended to read:

(2) For each fiscal year, the amount of the general funds appropriated or transferred to the Education Fund shall be ~~\$277,400,000.00~~ \$305,900,000 increased by the most recent New England economic project cumulative price index, as of November 15, for state and local government purchases of goods and services from fiscal year ~~2012~~ 2017 through the fiscal year for which the payment is being determined, plus an additional one-tenth of one percent.

**EXPLANATION:** Rebased the GF transfer to the EF is required by the waterfall statute. This language is based on language used in Act 179 of 2015 Sec.E.513.1.

**Sec. E.513** Appropriation and transfer to education fund

(a) Pursuant to 16 V.S.A. § 4025(a)(2) as amended by Sec. E.513 of this Act and Sec. B.513, there is appropriated in fiscal year 2017 from the General Fund for transfer to the Education Fund the amount of \$305,902,634.

**EXPLANATION:** Statutory transfer from the General Fund to the Education Fund. This amount is adjusted per the statutory formula.

**Sec. E.514** State teachers' retirement system

(a) In accordance with 16 V.S.A. § 1944(g)(2), the annual contribution to the State Teachers' Retirement System (STRS) shall be \$82,659,576.

(b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution, \$8,327,249 is the "normal contribution," and \$74,332,327 is the "accrued liability contribution."

**EXPLANATION:** Same language as prior years.

**Sec. E.515** Retired teachers' health care and medical benefits

(a) In accordance with 16 V.S.A. § 1944b(b)(2), \$18,322,584 will be contributed to the Retired Teachers' Health and Medical Benefits plan.

**EXPLANATION:** Same language as prior year.

Thank you for your review and consideration.