

Vermont Legislative Joint Fiscal Office

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Draft FISCAL NOTE

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Senate 180 "An Act Relating to Increasing General Fund Appropriations to the Vermont State Colleges" - House Education Committee Draft 3.1

Section 1: Ties the growth of the appropriation to the Vermont State Colleges (VSC) to the percentage increase of the general fund transfer to the Education Fund. As drafted would provide a minimum increase in the state college appropriation based on current projections the increase would be:

FY 2017	24,300,464	Base year	Projected Minimum Base increase
FY2018	25,005,177	2.9%	\$704,713
FY2019	25,705,322	2.8%	\$700,145

This is a projected minimum increase in the state college appropriation based on current projections of the state and local price index which guides the general fund transfer to the education fund. With a caveats;

- The percentage increase will change as estimates of the state and local price index changes.

Section 2: The sum of \$40,000 is appropriated from the Next Generation Initiative Fund created pursuant to 16 V.S.A. § 2887 to the Vermont State Colleges for the purpose of expanding the Colleges' Education and Training Evaluation Services Program. It is the understanding that this may be an ongoing expenditure.

Section 3: Changes the threshold for payments to the higher education trust from estate tax revenues from amounts over 125% of forecast to amounts over 100% of forecast. This has a potential impact of reducing funds available to the General Fund annually \$5.5 million to \$6.2 million in FY 2017-2019. And creates more downward risk overall for the General Fund. The General Fund is made up of a variety of revenues streams. Any one of them may fall short or exceed forecast. On balance the fund forecast is a combination of the component forecast. When a component forecast is capped at the forecast amount that reduces the funds ability to offset weakness in other areas.

Section 4: \$206,400 is appropriated from the Next Generation Initiative Fund created pursuant to 16 V.S.A. § 2887 to the Secretary of Administration for the purpose of continuing and expanding the Man Up Program, which is a program sponsored by the Vermont State Colleges.

Section 5 (b) Appropriates \$3,000,000 from the General Fund in 2017, to the Secretary of Administration. It appears as that this is an ongoing funding obligation.

- FY 2017 ends June 30, 2017. This appropriation would be allocated on or before June 30th of the fiscal year. In the first year some amount may be reverted if not spent. In subsequent years the state liability is protected by proration language.
 - Payments are made to UVM and VSC half for financial aid and half for support systems.