

FY 2016 Budget Adjustment Summary – House Recommend

	<u>All Funds</u>	<u>%</u>	<u>State Funds</u>	<u>%</u>	<u>General Fund</u>	<u>%</u>
FY 2015	\$5.490	3.9%	\$2.272	2.4%	\$1.428	3.1%
FY 2016 <i>May</i>	\$5.531	1.1%	\$2.354	3.6%	\$1.469	4.1%
FY 2016 <i>BAA</i>	\$5.628	2.5%	\$2.354	3.3%	\$1.482	5.0%

The FY 2016 Budget Adjustment continues to reflect a multiyear process to bring spending and revenues toward long-term sustainability. Slower economic growth, a January reduction in the General Fund (GF) revenue forecast, and growing service demands create a difficult budget environment. FY 2015 saw over \$40 million in GF revenue downgrades. The FY 2016 Budget Adjustment addresses the additional January GF downgrade of \$4.7 million.

The Budget Adjustment represents an all funds increase of \$91.8m of which \$70m is Medicaid related. The GF increase is \$12.3m and the State Health Care Resource is \$12m. It relies on \$23 million in one-time resources.

The FY 2016 Budget Adjustment addresses cost pressures related to the Opiate Epidemic:

- Funds growing juvenile caseload in the Department for Children and Families (DCF)
- Funds child protection package at DCF to address caseload pressures and child and worker safety
- Meets DCF funding needs, including: a cost per case increase in subsidized adoptions; increases in substitute care caseload; and an increase in foster parent respite care costs
- Funds an increase in foster parent transportation costs
- Adds funds for Licensed Alcohol and Drug Abuse Counselors (LADC)
- Funds additional need in Syringe Exchange Program in the Department of Health

Other Health Care Investments:

- Provides initial funding for 53rd week in Medicaid program with the expectation that remaining funding needs will be addressed in FY 2017
- Funds caseload and utilization increases in Medicaid
- Reallocates funding to areas where the need for emergency housing remains high, recognizing that statewide use of emergency housing is down by 25%
- Funds caseload and utilization pressures in DVHA
- Funds increased costs of Cystic Fibrosis medication
- Adds \$490K to fully staff the VT Psychiatric Care Hospital in Berlin by including hiring incentives
- Adds funds for Applied Behavioral Analysis (ABA) – (Autism service delivery)
- Recognizes savings from the voluntary use of Long Acting Reversible Contraception (LARC)

The FY 2016 Budget Adjustment also:

- Incorporates retirement savings and other Pay Act and labor savings throughout the budget
- Maintains balance in the Rainy Day Fund
- Appropriates \$1.5 million from the Clean Water Fund to begin that critical work
- Supports litigation costs in defense of the Ed Fund regarding hydroelectric dam appraisals
- Supports Attorney General’s cost for litigating Liberty Mutual case to the U.S. Supreme Court
- Provides reimbursement to the Military Department for firefighter leave time