

## Reserves and Fund Balances

General Fund	FY16	FY17	As
			Passed FY18 proj
Stabilization Reserve	71.3	74.1	77.0
27/53 Reserve	0.0	5.3	9.0
Human Service Caseload Reserve	0.0	10.0	22.0
Rainy Day Fund Reserve	6.8	17.2	7.3
<b>General Fund Reserve Total</b>	78.0	106.6	115.3
<b>Global Commitment Fund Balance</b>	86.8	81.5	79.8
<b>Transportation Fund Stabilization Reserve</b>	12.8	13.3	13.5
<b>Education Fund Stabilization Reserve</b>	32.5	33.5	24.7
	<b>210.2</b>	<b>234.9</b>	<b>233.3</b>
<b>Total All Reserves and Fund Balances</b>			

### RAINY DAY FUND STATUTE

[32 V.S.A. § 308C](#)

This sets out the "waterfall" portions to EF and Teachers Retirement internal loan payback etc in (a)

It all sets out limit of only using 50% of the amount added for unforeseen/emergency needs in (b)

### Act 85 notwithstanding the waterfall portion of this statute but not the uses portion

#### Sec. C.120 GENERAL FUND YEAR END CLOSE OUT

(a) In fiscal years 2017 and 2018, after satisfying the requirements of 32 V.S.A. § 308, and after other reserve requirements have been met, the provisions of 32 V.S.A. § 308c(a)(1)–(3) shall not be applied, and any remaining unreserved and undesignated end of fiscal year General Fund surplus shall be reserved in the General Fund Balance Reserve established in 32 V.S.A. § 308c.

Sec. D.105 FISCAL YEAR 2018 ONE-TIME CORPORATE TAX REFUND OFFSET

(a) The Administration and Legislative economists have indicated that one-time corporate tax refunds may result in a revenue downgrade for fiscal year 2018. To address the one-time fiscal impacts of this in fiscal year 2018, the following actions are authorized:

(1) As part of the official revenue forecast for fiscal year 2018 under 32 V.S.A § 305a, the Emergency Board at its July 2017 meeting shall hear testimony from the Administration and Legislative economists and adopt a fiscal year 2018 estimate for expected corporate tax refunds above historical trend.

(2) Based on the adopted amount of corporate income tax refunds under subdivision (1) of this subsection, to the extent necessary the following offsets will be made in the order below:

(A) The Commissioner of Finance and Management may review fund balances in State special funds and end of fiscal year 2017 carry forward appropriation balances throughout the Executive Branch. Up to \$5,000,000 may be identified for transfer or reversion to the General Fund. To the extent necessary, the Emergency Board will review any proposed fund transfers and under its authority pursuant to 32 V.S.A. § 133(b) make fund transfers at a meeting scheduled on or before September 15, 2017.

(B) Up to \$10,000,000 of the Global Commitment Fund balance may be transferred to the General Fund.

(b) Any other revenue adjustments shall be made in accordance with end of the year revenue offsets and the statutory rescission process under 32 V.S.A. § 704.

Corporate Tax Refund Plan

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 leg.state.vt.us Vermont Laws comm.ncsl.org

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Fiscal Year 2018 One-Time \$16,300,000 Corporate Tax Refund Plan

Item	Source	Amount	Reference	Fund	Appropriation #
1	½ General Fund Balance Reserve	\$5,190,000	No Action Required	10000	
2	½ General Fund Balance Reserve	\$5,190,000	32 VSA §308c	10000	
3	Over collection of drug rebates, State Only Program	\$637,866.27	Act 85 Sec D. 105 (A)	10000	3410017000
4	GC Medicaid Program	\$1,862,133.73	Act 85 Sec D. 105 (A)	10000	3400004000
5	Special Fund Balance Transfer	\$1,000,000	Act 85 Sec D. 105 (A)	21005	
6	Special Fund Balance Transfer	\$300,000	Act 85 Sec D. 105 (A)	21970	
7	Special Fund Balance Transfer	\$120,000	Act 85 Sec D. 105 (A)	21125	
8	WB Mason Office Supply Contract	\$1,000,000	No Action Required	10000	
9	General Fund (One Time Transfer from VHCTF)	\$1,000,000	No Action Required	10000	
	<b>Total</b>	<b>\$16,300,000</b>			

Moved: Pursuant to 32 VSA §308c (b) (1); in Fiscal Year 2018, \$5.19 million is unreserved from the General Fund Balance Reserve and pursuant to Act 85, § D. 105(a) (2) (A) in Fiscal Year 2018;

- Transfer \$1,000,000 from FMS Development Special Fund to the General Fund
- Transfer \$300,000 from Registration Fees Fund to the General Fund
- Transfer \$120,000 from Hazardous Chemical Fund to the General Fund
- Reversion of \$637,866.27 from General Fund appropriation 341001700
- Reversion of \$ 1,862,133.73 from General Fund appropriation 3400004000

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Rescission Statute is [32 V.S.A. § 704](#)

Act 85 allowed for the following but this was **NOT** included in the rescission plan adopted

Sec. D.101.2 ONE YEAR RESCISSION ELIGIBILITY FOR GENERAL

FUND TO EDUCATION FUND TRANSFER

(a) For fiscal year 2018 only and notwithstanding 32 V.S.A. § 704(g)(2), the transfer and appropriation in Sec. B.513 of this act is subject to General Fund rescissions not to exceed one percent of the transfer or the percent that the rescission amount as specified in Sec. D.105(b) of this act is of the total General Fund budget, whichever is less.

(b) Any rescission made to the transfer in subsection (a) of this section shall be subtracted from the base amount used to calculate the General Fund transfer under 16 V.S.A. § 4025(a)(2) for the next fiscal year.

**FY 2018 Governor's General Fund Rescission Plan**

Business Unit #	Business Unit Name	Amount	Savings Type	Proposed Reduction
02210	Department of Financial Regulation	3,500,000	Revenue	Increase in projected revenue for transfer to the general fund
02230	Secretary of State	275,000	Revenue	Increase in projected revenue for transfer to the general fund
03410	Vermont Health Access	4,519,000	Medicaid	Medicaid Consensus Forecast has been revised downward by \$25M Gross/\$4.519 GF. This is based on closeout, redeterminations and childless new adults
01100	Agency of Administration	33,817	Base	Reduction of salary expenses in the Secretary of Administration's Office
01130	Libraries	50,000	Base	Reversion of carryforward that will be ongoing savings due to the Library's move to the Historical Society in Barre and decreased fee for space.
01140	Tax	40,000	Base	Tax has several options including reduction in software purchases and renegotiating service level agreements with ADS.
01200	Executive Office	33,904	Base	Carryforward reversion. Ongoing savings either in personnel services or funds set aside for trips to conferences.
01250	Auditor of Accounts	8,000	Base	Reduction in training and contracted non-audit work.
02130	State's Attorneys and Sheriffs	179,776	Base	Reduction to personnel services that will be managed through vacancy savings.
02140	Public Safety	433,500	Base	Public Safety base savings are achieved through leveraging federal funds, management efficiencies and cost allocations of administrative expenses to interdepartmental funds.
02200	Agriculture, Food & Markets	35,000	Base	Savings from move out of Capitol Plaza into state-owned space.
02210	Department of Financial Regulation	460,350	Base	Reduction in Operating costs that would increase the direct app to the GF. Costs include temps., travel, rentals and contracts with vendors.
03410	Vermont Health Access	1,631,370	Base	DVHA is working with hospitals on Outpatient Prospective Payments to restore hospital outpatient spending to the pre-provider based billing baseline.
07110	Housing & Comm Development	18,188	Base	Reduction to historic sites Gift shop inventory.
07120	Economic Development	40,000	Base	EB-5 Contract reduction
07120	Economic Development	25,000	Base	SEVEDS Grant - Brattleboro Dev Credit Corp
07130	Tourism & Marketing	49,000	Base	DNE Supplemental Dues. Still pay base dues of \$100k.
07130	Tourism & Marketing	32,812	Base	United Kingdom focused tourism contract that will be reduced
02250	Public Utilities Commission	150,000	One-time	Direct application of special fund balance
02140	Public Safety	426,830	One-time	Sweep of one-time special fund balances that will not affect Public Safety's operations.
01150	BGS	200,000	One-time	One-time reversion of carryforward funds
01210	Legislative Departments	102,000	One-time	One-time reversion of carryforward funds
02120	Judiciary	318,634	One-time	One-time reversion of carryforward funds
02230	Secretary of State	39,284	One-time	One-time reversion of carryforward funds
	<b>Total of FY 2018 Governor's Proposed Rescission</b>	<b>12,601,465</b>		

## Sec. B.1102 FISCAL YEAR 2018 MANAGEMENT SAVINGS

(a) The Secretary of Administration shall reduce fiscal year 2018 appropriations and make transfers to the General Fund for a total of \$5,000,000. The Administration is not limited to the following proposals to achieve this target, but shall analyze the following for fiscal year 2018 budgetary savings:

- (1) the elimination of exempt positions;
- (2) savings identified through improved business processes and administrative efficiencies;
- (3) administrative or contractual reductions, including savings from improved systems of procurement;
- (4) savings in State employee health care costs through increased price awareness;
- (5) the Agency of Human Services shall review and quantify savings from improved oversight and fiscal controls in order to prevent fraud and overpayment related to personal care services reimbursed by the departments of the Agency;
- (6) review of statewide operating expenses that include:
  - (A) physical space needs statewide for potential reduction of leased space or divestment of owned real estate where appropriate;
  - (B) examination of the alignment of the cost control incentives or disincentives in the State's largest internal service fund programs, including fee for space, and innovation and information charges; and
  - (C) telecommunication services, postage equipment, and other equipment rentals.

(b) The Department of Corrections shall be held harmless from the savings target in subsection (a) of this section due to Corrections-specific existing savings targets contained elsewhere in this act.

(c) Savings identified by the Administration to meet the target in subsection (a) of this section shall be multiyear in nature to the greatest extent possible. The Administration shall provide in the report required in subsection (d) of this section the fully annualized savings for any reductions and transfers that require more time to be fully implemented.

(d) The Secretary shall submit a written report of the appropriations reductions and transfers to the Joint Fiscal Committee in November 2017. The report shall include:

- (1) the budgetary changes by agency and department and funding source;
- (2) the short- and long-term implications to individuals, organizations, or State systems of each change;
- (3) if any identified savings are only one-time in nature, the associated longer term actions that the Secretary recommends to make the savings continue into future years or become permanent; and
- (4) if any reductions or transfers require specific statutory changes, these shall be summarized in the report and presented in full to the House and Senate Committees on Appropriations and other relevant standing committees during the 2018 legislative session.

[Management Savings Plan reported to JFC](#)