

FY 2018 Governor’s Recommended Budget Adjustment (BAA)

House Committee on Appropriations

December 18, 2017

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By: Adam Greshin, Commissioner, and
Matt Riven, Deputy Commissioner, Department of Finance & Management

FY 2018 Governor's Recommended General Fund Budget Adjustment Summary

Adam Greshin, Commissioner of the Department of Finance & Management

Matt Riven, Deputy Commissioner

Presentation to House Appropriations Committee

December 18, 2017

FY 2018 POST- RESCISSION General Fund (GF) Revenue Adjustments (\$ millions)

Direct Applications	0.01	
Additional unclaimed property from State agencies	0.34	Estimate - one-time additional revenues
Reversions of unspent FY17 appropriations	0.25	
TOTAL POST-RESCISSION NET REVENUE	0.59	More revenue vs. As Passed

FY 2018 BAA General Fund (GF) Appropriation Adjustments (\$ millions)

Homeowners, Renters Rebates, & Current Use	(1.41)	Revised estimates
Agency of Education - study funding	0.30	
Debt Service	(6.17)	Updated debt service estimate.
All AHS	1.24	See separate detail
Vermont Veterans Home	0.45	
Sub-total Net Appropriation Adjustments	(5.60)	Decreased Appropriations vs. FY 2018 As Passed

FY 2018 Transfers to/(from) General Fund (GF) (\$ millions)

Contribute to "27th Pay Period" Reserve	(1.79)	To pre-fund required FY19 payment
Vermont Life	(3.18)	
Transfer to ERAF fund	(0.81)	To fund estimated state share FEMA payments (late FY18 or early FY19)
Transfer to Tobacco Trust Fund	(0.41)	Tobacco Trust Fund has est. \$410K FY19 obligations but zero balance
	-	
Sub-total Net Transfers to/(from) General Fund	(6.19)	Net Transfers from GF

**TOTAL NET APPROPRIATION AND TRANSFER
ADJUSTMENTS**

(0.00) **Net GF**

FISCAL YEAR 2018 GOVERNOR'S RECOMMENDED BUDGET ADJUSTMENT

FUNCTION 2017 Act 85 Sec. #	Appropriation Title	General Fund	Education Fund	Special Funds (Various) (1)	Global Commitment Fund	State Health Care Resources Fund	Federal Funds (includes ARRA)	Other (3) Funds	Narrative Description
General Government									
B.137	Homeowner rebate	(760,000.00)							Mid-year adjustment to reflect the updated expenditures.
B.138	Renter rebate	(630,000.00)							Mid-year adjustment to reflect the updated expenditures.
B.140	Municipal current use	(24,334.00)							Mid-year adjustment to reflect the updated expenditures.
Total General Government		(1,414,334.00)	0.00	0.00	0.00	0.00	0.00	0.00	
Protection									
Total Protection		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Human Services									
B.300	Human services - agency of human services - secretary's office	(328,399.00)					22,250.00		Net-neutral transfer of positions with DMH and DVHA.
B.301	Secretary's office - global commitment	777,501.00		3,088,699.00		(1,726,689.00)	(5,637,537.00)	(1,207,718.00)	Reflects the GF and GC impacts for all GC appropriation changes throughout State Government (primarily within the Agency of Human Services (AHS))
B.306	Department of Vermont health access - administration	(2,061,073.00)					(22,758,224.00)	(121,474.00)	Net-neutral transfer of positions with AHS CO; Changes to contracts for VHC DDI efforts; technical correction to funding sources for VHC.
B.307	Department of Vermont health access - Medicaid program - global commitment				(7,141,522.00)				Net-neutral transfer of Applied Behavioral Analysis funding to DMH; Decrease in claims tail costs that were budgeted to coincide with claims associated with the implementation of the ACO.
B.308	Department of Vermont health access - Medicaid program - long term care waiver	(240,997.00)			1,178,535.00				Spending authority adjustments in the CFC program associated with funds carried forward from SFY17 into SFY18.
B.310	Department of Vermont health access - Medicaid non-waiver matched	(28,605.00)					4,778,012.00		Spending authority needed for non-Medicaid populations included in the ACO.
B.312	Health - public health	375,000.00							One-time funding for the Household Health Insurance Survey that occurs every three years. The results of the survey inform the extent to which Vermont can draw Medicaid funding under its Global Commitment waiver.
B.314	Mental health - mental health	262,366.00			3,035,267.00		1,496,561.00		Net-neutral position transfer with AHS CO; PNMI funding changes; spending authority for a 100% federal demonstration grant; net-neutral transfer of DA wage increases with DAIL; net-neutral funding transfers with DVHA for Autism services.
B.316	Department for children and families - administration & support services	(4,037,332.00)		1,789,542.00	1,835,150.00		333,024.00		ESD District Office management reorganization; Admin. savings associated with reduced caseload and FPL vs. SMI LIHEAP determinations that leverage special funds in lieu of general funds; net-neutral Major Object Code technical corrections; federal fund spending authority for the JFI demonstration grant; Net-neutral technical correction with Admin. to align GC earnings with correct appropriation
B.317	Department for children and families - family services	242,805.00			(1,119,894.00)		960,091.00		Net-neutral technical correction with Admin. to align GC earnings with correct appropriation; Net-neutral movement of TANF earnings among DCF appropriations; spending authority request for increased caseloads and PNMI rates.
B.318	Department for children and families - child development	(1,815,154.00)							Savings associated with more efficient bidding and billing practices for transportation and underutilization of the Early Intervention Program relative to budgeted expectations; net-neutral technical corrections to Global Commitment spending authority.
B.319	Department for children and families - office of child support	256,788.00					(256,788.00)		Technical correction associated with federal earnings necessitating General Funds.
B.321	Department for children and families - general assistance	1,171,000.00					(1,000,000.00)		Net increase of \$171k associated with Emergency Housing; net-neutral adjustment to TANF spending plan that exchanges TANF earnings for General Funds with the Family Services Division.
B.323	Department for children and families - reach up	1,285,492.00		(790,234.00)	49,177.00		(332,374.00)		Net General Fund increase associated with under-budgeting of caseload in previous years and the loss of revenues received from the Office of Child Support associated with declining caseloads; the reduction of grants and contracts that provide wrap around services for RU participants due to declining caseloads; \$49k Global Commitment increase for LUND. Direct grants to Reach Up participants remain unaffected after reducing costs attributed to declining caseloads.
B.324	Department for Children and Families - Home Heating Fuel Assistance/LIHEAP			752,768.00			(752,768.00)		Incorporates the exchange of Weatherization special funds for LIHEAP federal funds into spending authority (exchanged with the OEO Weatherization program); fully leveraging the LIHEAP block grant in exchange for special funds to be used in the DCF Admin. appropriation. The reduction in special funds needed is attributable to declining caseloads as well as moving to SMI eligibility criteria (i.e., fully leveraging the LIHEAP block grant).
B.325	Department for children and families - office of economic opportunity	202,627.00			(437,828.00)				Technical Adjustment for Family Supportive Housing that corrects the SFY18 Annualization of SFY17 Pro-Rated Expansion. This action is net-neutral for General Funds.
B.326	Department for children and families - OEO weatherization assistance			(2,542,768.00)			2,542,768.00		Incorporates the exchange of Weatherization special funds for LIHEAP federal funds into spending authority (exchanged with the LIHEAP program)
B.327	Department for children and families - woodside rehabilitation services	4,973,756.00			(4,973,756.00)				AHS testified to the JFC in November of 2017 that while Woodside will not be eligible for Global Commitment spending in SFY17, AHS is optimistic that funding may be restored for SFY19.
B.328	Department for children and families - disability determination services	21,520.00			(109,768.00)		54,884.00		Technical adjustment associated with how Medicaid Administrative costs earn federal receipts under the current Global Commitment waiver.
B.333	Disabilities, aging, and independent living - developmental services				1,211,116.00				Adjustment to Designated Agency wage increase as passed in Act 85.
B.339	Corrections - correctional services - Out of State Beds	183,960.00							Funding necessary to address an actual caseload of 14 beds greater than anticipated.
B.342	Vermont Veterans' Home	449,000.00							Overtime and temporary nursing contract costs.
Total Human Services		1,690,255.00	0.00	2,298,007.00	(6,473,523.00)	(1,726,689.00)	(20,550,101.00)	(1,329,192.00)	

FISCAL YEAR 2018 GOVERNOR'S RECOMMENDED BUDGET ADJUSTMENT

FUNCTION 2017 Act 85 Sec. #	Appropriation Title	General Fund	Education Fund	Special Funds (Various) (1)	Global Commitment Fund	State Health Care Resources Fund	Federal Funds (Includes ARRA)	Other (3) Funds	Narrative Description
Labor									
Total Labor		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Education									
B.500	Education - finance and administration	300,000.00		(3,108,001.00)					Technical adjustment to reflect the sunseting of the Supplemental Property Tax Relief Fund; funding for AoE "Education Weighting Report" pursuant to 2017 Acts and Resolves No. 49, Section 35.
B.504.1	Education - Flexible Pathways		650,000.00						In Fiscal 2018 there was a change made to the appropriation structure at AOE where the costs of the Early College Program were moved from the appropriation B.505 Education – Adjusted Education Payment (5100090000) to B.504.1 Education – Flexible Pathways. As such, \$650,000 should be appropriated to Flexible pathways so that spending authority is available to cover program costs. Funds are available from the requested reversions to the Education Fund.
Total Education		300,000.00	650,000.00	(3,108,001.00)	0.00	0.00	0.00	0.00	
Higher Education									
Total Higher Education		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Natural Resources									
Total Natural Resources		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Debt Service									
B.1000	Debt Service	(6,172,161.00)							Reduced debt obligation relative to delayed bond issuance
Total Debt Services		(6,172,161.00)	0.00	0.00	0.00	0.00	0.00	0.00	
One-time and Other Appropriations									
Total One-Time and Other Appropriations		0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total Appropriation Changes		(5,596,240.00)	650,000.00	(809,994.00)	(6,473,523.00)	(1,726,689.00)	(20,550,101.00)	(1,329,192.00)	
(1) Special Funds include: Special, Tobacco, TIB and Fish & Wildlife funds.									
(2) Dedicated funds include: Local Match, TIB Proceeds, Pension & Trust Funds, Retired Teachers Health Fund, and Enterprise Funds.									
(3) Other Funds include: Internal Service Funds and Interdepartmental Transfers.									

FISCAL YEAR 2018 RESCISSION AND MANAGEMENT SAVINGS REQUIRING BAA ADOPTION

Human Services									
B.301 [MS & R]	Secretary's office - global commitment (Management Savings & Rescission)	(4,513,697.00)							Management Savings and Rescission actions affecting Global Commitment appropriations that require BAA adoption.
B.307 [R]	Department of Vermont health access - Medicaid program - global commitment (Rescission)				(25,677,087.00)				Rescission action affecting Global Commitment appropriations that require BAA adoption.
B.309 [R]	Department of Vermont health access - Medicaid program - state only (Rescission)	(1,712,958.00)			(409,694.00)				Rescission action affecting Global Commitment appropriations that require BAA adoption.
B.310 [R]	Department of Vermont health access - Medicaid non-waiver matched (Rescission)	(62,555.00)					(736,949.00)		Rescission action affecting Global Commitment appropriations that require BAA adoption.
B.330 [MS]	Disabilities, aging, and independent living - advocacy and independent living grants (Mangement Savings)	(300,000.00)			(300,000.00)				Management Savings action affecting Global Commitment appropriations that require BAA adoption.
Total Human Services		(6,589,210.00)	0.00	0.00	(26,386,781.00)	0.00	(736,949.00)	0.00	

Direct Applications to the General Fund (transfer of special fund balances to the General Fund)			FY 2018								
On-Going Direct Applications			Legislative Changes				As Passed	Rec./Mgt. Savings	BAA	FINAL '18	Statutory Authorization
Fund Name	Fund Number	Department	Gov. Rec	HAC	SAC	CC					
AG Fees & Reimbursements - Court Order	21638	Attorney General	2,000,000	-			2,000,000			2,000,000	Act 85, 2017 session, Sec. D.101(b)(1)
Earned Federal Receipts - AHS	22005	AHS Central Office	10,040,542		805,800		10,846,342			10,846,342	Act 85, 2017 session, Sec. D.101(b)(1)
Liquor Control Fund	50300	Liquor Control	955,000	-		100,000	1,055,000			1,055,000	Act 85, 2017 session, D.101(b)(1)
Unclaimed Property Fund	62100	Treasurer	2,615,143	300,000			3,415,143			3,415,143	27 VSA Sec 1253.
DFR Regulatory Funds; <i>Captives Regulatory, Insurance Regulatory, Securities Regulatory Funds</i>	21075 21080 21085	Financial Regulation	12,667,420				12,667,420			12,667,420	Act 85, 2017 session
Secretary of State Services Funds	21928	Secretary of State	1,868,000				1,868,000	281,364		2,149,364	3 VSA § 118 (a)
Caledonia Fair		Finance & Management	5,000	-			5,000			5,000	2001 Act 61 Sec 21.
North Country Hospital Loan		Finance & Management	24,250	-			24,250			24,250	2004 Act 121 Sec. 3 (c)
Subtotal On-Going Direct Applications			30,175,355	300,000	805,800	100,000	31,881,155	281,364	-	32,162,519	
One-time Direct Applications			Legislative Changes				As Passed	Rec./Mgt. Savings	BAA	FINAL '18	Statutory Authorization
Fund Name	Fund Number	Department	Gov. Rec	HAC	SAC	CC					
Unclaimed Property Fund	62100	Treasurer							334,000.00	334,000	27 VSA Sec 1253.
FMS Development Fund	21005							1,000,000		1,000,000	July 2017 E-Board action
DFR Regulatory Funds; <i>Captives Regulatory, Insurance Regulatory, Securities Regulatory Funds</i>	21075 21080 21085	Financial Regulation						3,960,350		3,960,350	Rescission plan approved by the JFC
Land & facilities Trust Fund	21550	Forest & Parks	429,000	-			429,000			429,000	Act 85, 2017 session, D.101(b)(1)
Tax Computer System Modernization	21909	Tax Department	798,808	-			-			-	Act 85, 2017 session, D.101(b)(1)
GMCB Regulatory and Admin Fund	21937	GMCB	700,000	-	150,000	-	850,000			850,000	Act 85, 2017 session, D.101(b)(1)
PSB - Special Funds	21709	Public Service Board						150,000		150,000	Rescission plan approved by the JFC
Fingerprint Fund	21865	Public Safety						40,000		40,000	Rescission plan approved by the JFC
Fire Safety Fund	21901	Public Safety						81,830		81,830	Rescission plan approved by the JFC
Hazardous Chemical Fund	21125	Public Safety						80,000		80,000	Rescission plan approved by the JFC
Hazardous Chemical Fund	21125	Public Safety						120,000		120,000	July 2017 E-Board action
Conference Fees & Donations	21525	Agency of Education							655.00	655	As proposed in Gov. Rec. BAA
ED-Private Sector Grants	21848	Agency of Education							9,912.61	9,913	As proposed in Gov. Rec. BAA
Registration Fees Fund	21970							300,000		300,000	July 2017 E-Board action
Earned Federal Receipts - AHS; Additional Fund Balance	22005	AHS Central Office	22,125,000				22,125,000			22,125,000	Act 85, 2017 session, D.101(b)(1)
Subtotal One-Time Direct Applications			24,082,808	-	150,000	-	23,434,000	5,732,180	344,567.61	29,510,748	
Total Direct Applications			54,258,163	300,000	955,800	100,000	55,315,155	6,013,544	344,568	61,673,267	

Reversions to the General Fund

FY 2018

Base Appropriations										
Appropriation Name	Dept. ID	Gov. Rec	Legislative Changes			As Passed	Rec./Mgt. Savings	BAA	FINAL '18	Statutory Authorization
			HAC	SAC	CC					
Secretary of Administration	1100010000							100,000.00	100,000.00	As proposed in Gov. Rec. BAA
Budget & Management	1110003000							27,921.28	27,921.28	As proposed in Gov. Rec. BAA
Use Tax Reimbursement Program	1140070000					-		404.00	404.00	As proposed in Gov. Rec. BAA
BGS Purchasing	1150500000						200,000.00		200,000.00	Rescission plan approved by the JFC
Governor's Office	1200010000						33,904.00		33,904.00	Rescission plan approved by the JFC
										Act 85, 2017 session, D.101(c)(1);
Legislative Council	1210001000	150,000.00				150,000.00	32,000.00		182,000.00	Rescission plan approved by the JFC
										Act 85, 2017 session, D.101(c)(1);
Legislature	1210002000	385,000.00				385,000.00	53,000.00		438,000.00	Rescission plan approved by the JFC
Joint Fiscal Office	1220000000	-				-	12,000.00		12,000.00	Rescission plan approved by the JFC
										Act 85, 2017 session, D.101(c)(1);
										Rescission plan approved by the JFC
Sergeant-at-Arms	1230001000	19,000.00				19,000.00	5,000.00		24,000.00	
Lieutenant Governor	1240001000					-		21,424.41	21,424.41	As proposed in Gov. Rec. BAA
Auditor of Accounts	1250010000					-		53,389.23	53,389.23	As proposed in Gov. Rec. BAA
Court Diversion	2100002000							24,744.91	24,744.91	As proposed in Gov. Rec. BAA
Judiciary	2120000000						318,634.00		318,634.00	Rescission plan approved by the JFC
Public Safety	2140030000						200,000.00		200,000.00	Rescission plan approved by the JFC
Public Safety	2140060000						25,000.00		25,000.00	Rescission plan approved by the JFC
Victims Compensation	2160010000							489.05	489.05	As proposed in Gov. Rec. BAA
Secretary of State	2230010000						32,920.00		32,920.00	Rescission plan approved by the JFC
Human Rights Commission	2280001000							10,000.00	10,000.00	As proposed in Gov. Rec. BAA
Commission on Women	3310000000							3,040.00	3,040.00	As proposed in Gov. Rec. BAA
Global Commitment	3400004000						1,862,133.73		1,862,133.73	July 2017 E-Board action
Reductions associated with projected under-spending and one-time VHCTF balance							2,000,000.00		2,000,000.00	July 2017 E-Board action
DVHA - Programs - State Only	3410017000					-	637,866.27		637,866.27	July 2017 E-Board action
Agency of Education - Adult Basic Education	5100060000							1,065.35	1,065.35	As proposed in Gov. Rec. BAA
Agency of Education - Education Services	5100070000							128.66	128.66	As proposed in Gov. Rec. BAA
Administration Division	7100000000							3,000.00	3,000.00	As proposed in Gov. Rec. BAA
Subtotal Reversions from Base Appropriations		554,000.00	-	-	-	554,000.00	5,412,458.00	245,606.89	6,212,064.89	
Other Reversions										
International Trade Commission	7120890704		7,711.88			7,711.88			7,711.88	H.518 D.101(c)(1)
Subtotal Other Reversions		-	7,711.88	-	-	7,711.88	-	-	7,711.88	
Total Reversions		554,000.00	7,711.88	-	-	561,711.88	5,412,458.00	245,606.89	6,219,776.77	
In Millions \$		0.55	0.01	-	-	0.56	5.41	0.25	6.22	-

Transfers to/(from) the General Fund		FY 2018								
Transfers from the General fund										
Fund Name	Fund Number	Gov. Rec	Legislative Changes			As Passed	Rec./Mgt. Savings	BAA	FINAL '18	Statutory Authorization
			HAC	SAC	CC					
Tobacco Trust Fund	21375					-		(409,131)	(409,131)	As proposed in Gov. Rec. BAA
Vermont Life Magazine 27/53 Reserve	50400					-		(3,182,000) (1,790,000)	(3,182,000) (1,790,000)	As proposed in Gov. Rec. BAA As proposed in Gov. Rec. BAA
GF Balance Reserve "Rainy Day Fund"							5,190,000	5,190,000	10,380,000	
Next Generation		(3,409,900)	500,000			(2,909,900)			(2,909,900)	Act 85, 2017 session, Sec. D.101(a)(1)
Emergency Relief and Assistance Fund	21555	(1,455,788)	1,455,788			-		(809,729)	(809,729)	As proposed in Gov. Rec. BAA
Environmental Contingency Fund	21275	(1,520,137)	1,520,137		1,000,000	1,000,000			1,000,000	Act 85, 2017 session, Sec. C.102(a)
Tobacco trust fund	21375	(245,246)	245,246			-			-	
Health It fund	21916			500,000		500,000			500,000	Act 85, 2017 session, Sec. D.106(a)
Global Commitment Fund Balance	20405				1,700,000	1,700,000			1,700,000	Act 85, 2017 session, Sec. D.107
Education Fund						(3,270,000)			(3,270,000)	Act 85, 2017 session, Sec. D.101.1
Subtotal Transfers		(6,631,071)	3,721,171	500,000	(570,000)	(2,979,900)	5,190,000	(1,000,860)	1,209,240	
Total Direct Applications		(6,631,071)	3,721,171	500,000	(570,000)	(2,979,900)	5,190,000	(1,000,860)	1,209,240	
In Millions \$		(6.63)	3.72	0.50	(0.57)	(2.98)	5.19	(1.00)	1.21	

Reversions to the Education Fund		FY 2018	
<i>(transfer of Prior year Appropriation Balances to the Education Fund)</i>			
Base Appropriations			
Appropriation Name	Dept. ID	Gov. Rec BAA	Statutory Authorization
Special Education	5100040000	513,046.09	<i>2018 Gov Rec BAA</i>
State placed Students	5100050000		
Adult Education	5100060000	9,484.40	<i>2018 Gov Rec BAA</i>
Flexible Pathways	5100210000	416,789.60	<i>2018 Gov Rec BAA</i>
Education Grants	5100090000	4,577,182.35	<i>2018 Gov Rec BAA</i>
Transportation	5100100000	180,797.00	<i>2018 Gov Rec BAA</i>
Small Schools	5100110000	395,595.00	<i>2018 Gov Rec BAA</i>
Capital Debt Service	5100120000	8,636.00	<i>2018 Gov Rec BAA</i>
Essential Early Education	5100190000	220,781.91	<i>2018 Gov Rec BAA</i>
Technical Education	5100200000	363,463.07	<i>2018 Gov Rec BAA</i>
Subtotal Reversions from Base Appropriations		6,685,775.42	
Total Reversions		6,685,775	
In Millions \$		6.69	-

Prop. Transfer Tax - FY 2017 - FY 2018	FY 2017	FY 2018
	Year - End Actuals	2017 Act 85 As Passed - July 21 Revenue Estimate
	7/16/2017	Revenue Forecast 7/21/2017
Property Transfer Tax (PTT) revenue estimate	38,818,167.45	41,800,000
VHCB Transfer (Housing Bond Debt Service)		2,500,000
2% to Tax (32 VSA Sec 9610(c))	776,363	786,000
Remainder for distribution	38,041,804.10	38,514,000
33% to GF (32 VSA Sec 435(b)(10))	12,553,795	12,709,620
*50% to Housing & Conservation Trust (10 VSA Sec 312)	11,304,840	11,304,840
*17% to Municipal & Regional Planning Fund (MRPF) (24 VSA Sec 4306(a))	3,760,599	3,760,599
*70% of MRPF to Regional Planning Commissions	2,924,417	2,924,417
*20% of MRPF to Municipal Planning Commissions	457,482	457,482
*10% of MRPF to GIS (Geographic Information Service)	378,700	378,700
How much PTT in GF revenues (Jeff Carr's est)	12,553,795	12,709,620
Transfer from HCTF per housing bond agreement		1,500,000
Additional appropriation to PVR		(268,000)
Transfer from PVR Special Fund to GF per session law	258,363.35	
How much additional as Direct App (due to capped approps)	10,422,569.75	11,006,941
Tot to GF	23,234,728	25,216,561

Notes:

All figures (excluding FY2018) are based on the Consensus Revenue Estimates for the Property Transfer Tax reported prior to the passage of the each year's appropriations act.

In all cases, when the usage of the PTT revenue is appropriated below the formula calculation described in 32 VSA ch. 231, the difference is transferred to the General Fund through Direct Application.

*These amounts are prescribed in Act. 85 of the 2017 session and therefore not reflected as a percentage of revenue.

General Fund Operating Statement

Fiscal Year Time/Event Forecast	FY 2017 FINAL Actual	FY 2018 As Passed Jan-17	*FY 2018 Rescission Jul-17	FY 2018 Gov Rec BAA Jul-17
Sources				
Current Law Revenue	1,456.92	1,510.20	1,485.50	1,485.50
Direct Applications & Reversions	88.10	55.88	55.88	55.89
Direct Applications & Reversions (Corp. Tax Refund Resolution)			5.92	5.92
Direct Applications & Reversions (Rescission)			5.51	5.51
Revenue Changes		4.08		
Other Revenue	2.15	0.80	0.80	1.13
VEDA Debt Forgiveness		-	-	-
Additional Property Transfer Tax	10.68	12.6	12.51	12.51
Subtotal Current Year Sources	1,557.85	1,583.59	1,566.11	1,578.97
Carried Forward				
End of Year Reversion	16.34			0.25
Total Sources	1,574.19	1,583.59	1,566.11	1,566.71
Uses				
Base Appropriations	1,533.36	1,549.32	1,549.32	1,549.32
One-time Appropriations	6.93	0.70	0.70	0.70
Other Bills	5.56			
Pay Act	9.17	11.50	11.50	11.50
Budget Adjustment Act	(4.48)			(5.60)
Rescission	(10.64)		(0.95)	(7.10)
ARRA Replacement				
Contingent Appropriation				
Total Uses	1,539.90	1,561.52	1,560.57	1,548.82
Subtotal Operating Surplus (deficit)	34.29	22.07	5.54	17.88
Allocation of Surplus (deficit)				
Transfers From/(to) other funds	(5.76)	(2.98)	(2.98)	(7.38)
Reserved				
Budget Stabilization Reserve	(2.85)	(2.89)	(2.89)	(2.89)
Human Services Caseload Reserve	(10.00)	(12.00)	(12.00)	(12.00)
27/53 Reserve	(5.29)	(3.70)	(3.70)	(5.49)
Balance Reserve	(10.38)	(0.50)	(0.50)	(0.50)
Balance Reserve (Corp. Tax Refund Resolution)			5.19	10.38
Other reserves				
Total Reserved in the GF (Designated)	(28.52)	(19.09)	(13.90)	(10.50)
Total Allocated	(34.28)	(22.07)	(16.88)	(17.88)
Unallocated Operating Surplus (Deficit)	0.01	0.00	(11.34)	(0.00)
General Fund Reserves (Cumulative)				
Budget Stabilization Reserve	74.10	77.00	77.00	77.00
Human Services Caseload Reserve	10.00	22.00	22.00	22.00
27/53 reserve	5.29	8.99	8.99	10.78
Balance Reserve	17.18	17.68	12.49	7.30
Other Reserves				
Total GF Reserve Balance	106.57	125.67	120.48	117.08
Reserve Requirement 5%	74.10	77.00	77.00	77.00

* Please note that the SFY18 Rescission column would result in \$0 Net Operating position if not for the \$6,150,370 in GC Rescissions that must be enacted through the BAA, as well as for the \$5.19M Rainy Day reserve funds that are also transferred via the BAA.

TRANSPORTATION FUND SUMMARY

	FY 2017 Final	FY2018 As Passed	FY 2018 Rescission (Jul Revenue)	FY2018 BAA (pending Jan Forecast)
Revenues				
Current Law Revenues	271,188,126	279,700,000	276,200,000	276,200,000
Adjustment	22,000	0	0	0
New Revenue		0	0	0
Federal Reimbursements		0	0	0
Est. Reversions		0	0	0
Current Year Reversions		0	0	0
Direct Applications & Reversions		0	0	0
Total Revenue	271,210,126	279,700,000	276,200,000	276,200,000
Carry forward balance	0	0	0	0
Total State Funds	271,210,126	279,700,000	276,200,000	276,200,000
Appropriations				
AOT Appropriations	249,073,779	249,382,048	249,382,048	249,382,048
Waterfall appropriations		0	0	0
Information Centers	4,014,502	3,886,230	3,886,230	3,886,230
Pay Act / FY11 27th Payroll	1,850,000	1,850,000	1,850,000	1,850,000
Transportation Debt Service	1,884,089	1,709,452	1,709,452	1,709,452
JTOC Appropriations	21,150,000	20,250,000	20,250,000	20,250,000
Contingent Approps / Ex Receipts		0	0	0
Other appropriations		0	0	0
Current Year Reversions/Rescissions	(8,572,005)		(2,082,561)	(2,082,561)
Net Budget Adjustments		0	0	0
Total Appropriations	269,400,365	277,077,730	274,995,169	274,995,169
Pre-Transfer balance	1,809,761	2,622,270	1,204,831	1,204,831
Transfers				
Transfer (to)/from General Fund				
Transfer (to)/from Downtown Fund	(423,966)	(423,966)	(423,966)	(423,966)
Transfer (to)/from Central Garage Fund	(695,215)	(1,296,047)	(196,047)	(196,047)
Transfer (to)/from Other Reserves	0	0	0	0
Transfer (to)/from Recreational Trail Fund	(370,000)	(370,000)	(370,000)	(370,000)
Transfer (to)/from Other funds	141,090	0	0	0
Transfer (to)/from Stabilization Reserve	(461,670)	(532,257)	(214,818)	(214,818)
Transfer (to)/from Vision Reserve	0	0	0	0
Transfer (to)/from Bond Reserve	0	0	0	0
Closing Recon Entries	0	0	0	0
Transfer (to)/from Bridge Fund	0	0	0	0
Net Transfers	(1,809,761)	(2,622,270)	(1,204,831)	(1,204,831)
Ending Balance	0	0	0	0
Bond Reserve	0	0	0	0
Stabilization Reserve Balance	13,255,200	13,787,457	13,470,018	13,470,018
5% Maximum Balance	13,255,200	13,787,457	13,470,018	13,470,018
Reserve Balance vs Maximum	0	0	0	0

Sec. XX. 2017 Acts and Resolves No. 85, Sec. D.101 is amended to read:

(b) Notwithstanding any provision of law to the contrary, in fiscal year 2018:

(1) The following amounts shall be transferred to the General Fund from the funds indicated:

<u>21525</u>	<u>Conference Fees and Donation</u>	<u>655.00</u>
<u>21638</u>	<u>AG Fees & Reimbursements-Court Order</u>	<u>2,000,000.00</u>
<u>21848</u>	<u>Private Grants</u>	<u>9,912.61</u>

(2) An amount estimated to be \$2,000,000 shall be transferred from the following fund to the General Fund in FY 2018:

<u>21638</u>	<u>AG-Fees & Reimbursements-Court Order</u>
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(3) All or a portion of the unencumbered balanced in the Insurance Regulatory and Supervision Fund (Fund Number 21075), the Captive Insurance Regulatory and Supervision Fund (Fund Number 21085), and the Securities Regulatory and Supervision Fund (Fund Number 21080), expected to be approximately, \$12,667,420 shall be transferred to the General Fund, provided that on or before July 1, 2018, the Commissioner of Financial Regulation certifies to the Joint Fiscal Committee that the transfer of such balances, or any smaller portion deemed proper by the Commissioner, will not impair the ability of the Department in fiscal year 2018 to provide thorough, competent, fair, and effective regulatory services, or maintain accreditation by the National Association of Insurance Commissioners; and that the Joint Fiscal Committee does not reject such certification.

(4) The following amounts shall be transferred from the General Fund to the fund indicated:

<u>21375</u>	<u>Tobacco Trust Fund</u>	<u>409,131.00</u>
<u>50400</u>	<u>Vermont Life Magazine</u>	<u>3,182,000.00</u>
<u>21555</u>	<u>Emergency Relief and Assistance Fund</u>	<u>809,729.00</u>

EXPLANATION: The Attorney General estimates that \$2,000,000.00 will be available in fund 21638 as of 6/30/2018 to transfer to the General Fund. However, if the cash balance in fund 21638 varies from the estimate of \$2,000,000.00 as of 6/30/2018, the actual cash balance will transfer to the General Fund. Additional transfers from the general fund are anticipated in fiscal year 2018 in order to pre-fund the Tobacco Trust Fund for fiscal year 2019, as well as partially pre-funding the ERAF for fiscal year 2019.

Sec. XX. 2017 Acts and Resolves No. 85, Sec. D.101 is amended to read:

(c) Notwithstanding any provision of law to the contrary, in fiscal year 2018:

(1) The following amounts shall revert to the General Fund from the Accounts indicated:

<u>1110003000</u>	<u>Budget & Management</u>	<u>27,921.28</u>
<u>1100010000</u>	<u>Secretary of Administration</u>	<u>100,000.00</u>
<u>1140070000</u>	<u>Use Tax Reimbursement Program</u>	<u>404.00</u>
<u>1240001000</u>	<u>Lieutenant Governor</u>	<u>21,424.41</u>
<u>1250010000</u>	<u>Auditor of Accounts</u>	<u>53,389.23</u>

<u>2100002000</u>	<u>Court Diversion</u>	<u>24,744.91</u>
<u>2160010000</u>	<u>Victims Compensation</u>	<u>489.05</u>
<u>2280001000</u>	<u>Human Rights Commission</u>	<u>10,000.00</u>
<u>3310000000</u>	<u>Commission on Women</u>	<u>3,040.00</u>
<u>5100070000</u>	<u>Education – Education Services</u>	<u>128.66</u>
<u>5100060000</u>	<u>Adult Education & Literacy</u>	<u>1,065.35</u>
<u>7100000000</u>	<u>Administration Division</u>	<u>3,000.00</u>

(2) The following amounts shall revert to the Education Fund from the accounts indicated:

<u>5100040000</u>	<u>Special Education</u>	<u>513,046.09</u>
<u>5100060000</u>	<u>Adult Education</u>	<u>9,484.40</u>
<u>5100210000</u>	<u>Flexible Pathways</u>	<u>416,789.60</u>
<u>5100090000</u>	<u>Education Grants</u>	<u>4,577,182.35</u>
<u>5100100000</u>	<u>Transportation</u>	<u>180,797.00</u>
<u>5100110000</u>	<u>Small Schools</u>	<u>395,595.00</u>
<u>5100120000</u>	<u>Capital Debt Service</u>	<u>8,636.00</u>
<u>5100190000</u>	<u>Essential Early Education</u>	<u>220,781.91</u>
<u>5100200000</u>	<u>Technical Education</u>	<u>363,463.07</u>

Sec. XX. 2017 Acts and Resolves No. 85, Sec. D.107 is amended to read:

(b) The amount of \$1,790,000.00 in General Funds shall be reserved in the 27/53 Reserve in FY 2018

(1) The transfer to the 27/53 Reserve is intended to represent the anticipated fiscal year 2019 contribution to the 27th pay period reserve.

EXPLANATION: An additional transfer from the general fund is anticipated in fiscal year 2018 in order to pre-fund the fiscal year 2019 contribution to the 27th pay period reserve.

Sec. XX. 2017 Acts and Resolves No. 85, Sec. B.209 is amended to read:

Personal services	52,941,680	52,941,680
Operating expenses	9,656,601	9,656,601
Grants	<u>759,635</u>	<u>759,635</u>
Total	63,357,916	63,357,916
Source of funds		
General fund	35,799,847	35,799,847
Transportation fund	20,250,000	20,250,000
Special funds	3,190,202	<u>2,905,072</u>
Federal funds	2,334,001	<u>2,619,131</u>
Interdepartmental transfers	<u>1,783,866</u>	<u>1,783,866</u>
Total	63,357,916	63,357,916

EXPLANATION: Two State Police funds in the 2018 Big Bill did not roll up to the correct funding type. FY 2018 Vantage entries correctly show funds 22050 and 22055 as Federal Funds and the FY 2018 Big Bill shows these amounts as rolling up to Special Funds. A technical correction is needed to correctly identify the fund type.

Sec. XX 2017 Acts and Resolves No. 85, Sec. B.300 is amended to read:

Personal Services	19,186,112	<u>19,236,112</u>
Grants	7,444,843	<u>7,394,843</u>

EXPLANATION: Related to the SAC Legal Aid Ombudsman restoration of \$50,000 during Conference Committee, 2017 Acts and Resolves No. 85. A technical correction is required to move the restoration from Grants to Personal Services.

Sec. XX. GLOBAL COMMITMENT APPROPRIATIONS; TRANSFER; REPORT

(a) In order to facilitate the end-of-year closeout for fiscal year 2018, the Secretary of Human Services, with approval from the Secretary of Administration, may make transfers among the appropriations authorized for Medicaid and Medicaid-waiver program expenses, including Global Commitment appropriations outside the Agency of Human Services. At least three business days prior to any transfer, the agency shall submit to the Joint Fiscal Office a proposal of transfers to be made pursuant to this section. A final report on all transfers made under this section shall be made to the Joint Fiscal Committee for review at the September 2018 meeting. The purpose of this section is to provide the Agency with limited authority to modify the appropriations to comply with the terms and conditions of the Global Commitment for Health waiver approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

EXPLANATION: Repeat and continuation of language found most recently in 2017 Act 3 Sec 76. Medicaid services are included in numerous appropriations within AHS, and outside of AHS. While best efforts are made to accurately project expenditures in each appropriation in the Big Bill, and refined again in the BAA, there is always a need at the end of the year to true-up to actual expenditures and activities. The JFC reporting requirement ensures that the legislature is aware of these adjustments.

Sec. XX. 2017 Acts and Resolves No. 85, Sec. B.500 is amended to read:

Personal Services	8,778,194	<u>8,794,372</u>
Operation Expenses	2,475,753	<u>2,468,753</u>
Grants	<u>17,087,879</u>	<u>14,270,700</u>
Total	28,341,826	<u>25,533,825</u>
Source of Funds		
General Fund	3,475,789	<u>3,775,789</u>
Special Funds	18,330,173	<u>15,222,172</u>

Education Fund	1,015,606	1,015,606
Federal Funds	2,714,811	2,714,811
Global Commitment Fund	260,000	260,000
Interdepartmental Transfer	<u>2,545,447</u>	<u>2,545,447</u>
Total	28,341,826	<u>25,533,825</u>

Explanation: Technical adjustment necessary to reduce the special fund spending authority in 2017 Act No. 85 Sec. E. 500 to reflect the elimination of the Supplemental Property Tax Relief Fund special fund. Also, additional \$300,000 in general funds for AoE "Education Weighting Report" pursuant to 2017 Acts and Resolves No. 49, Section 35.

Sec. XX. 2017 Acts and Resolves No. 85, Sec. B.504.1 is amended to read:

Grants	<u>4,254,045</u>	<u>4,904,045</u>
Total	<u>4,254,045</u>	<u>4,904,045</u>
Source of Funds		
Education Funds	<u>4,254,045</u>	<u>4,904,045</u>
Total	<u>4,254,045</u>	<u>4,904,045</u>

Explanation: In Fiscal 2018 a change was made to the appropriation structure at the AoE where the costs of the Early College Program were moved from B.505 Education – Adjusted Education Payment (5100090000) to B.504.1 Education – Flexible Pathways. As such, \$650,000 should be appropriated to Flexible pathways so that spending authority is available to cover program costs. Funds are available from the requested reversions to the Education Fund.

Sec. XX. SUPPLEMENTAL PROPERTY TAX RELIEF FUND TRANSFER

- (a) The Supplemental Property Tax Relief Fund was created pursuant to 2011, No. 162 (Adj. Sess.), § D.103, and prospectively repealed as of July 1, 2017.
- (b) The balance remaining in the Supplemental Property Tax Relief Fund, estimated to be \$3,139,252.28, is transferred to the General Fund.
- (c) Upon determination by the Commissioner of Finance and Management of the amount necessary for the Agency of Education to implement the Statewide School District Data Management System during FY 2018, up to \$3,139,252.28 in general funds shall be appropriated to the Agency of Education.
- (d) This section is effective upon passage.

Explanation: This language is needed during FY 2018 so that the funding for the Statewide School District Data Management System (SSDDMS), to support the implementation of the Uniform Chart of Accounts and associated state and federal statutory requirements can be reinstated. The project was extended but the funds for implementation of the system were not.

Sec. XX. 2017 Acts and Resolves No. 85, Sec. E301(b) is amended to read:

(b) In addition to the State funds appropriated in this section, a total estimated sum of ~~\$26,452,991~~ \$26,453,027 is anticipated to be certified as State matching funds under the Global Commitment as follows:

(1) \$23,371,400 certified State match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with \$27,128,600 of federal funds appropriated in Sec. B.301 of this act equals a total estimated expenditure of \$50,500,000. An amount equal to the amount of the federal matching funds for eligible special education school-based Medicaid services under Global Commitment shall be transferred from the Global Commitment Fund to the Medicaid Reimbursement Special Fund created in 16 V.S.A. § 2959a.

(2) ~~\$3,081,591~~ \$3,081,627 certified State match available from local designated mental health and developmental services agencies for eligible mental health services provided under Global Commitment.

EXPLANATION: Amounts updated to reflect timely estimates.

Sec. XX. CORRECTIONS APPROPRIATIONS; TRANSFER; REPORT

(a) In fiscal year 2018, the Secretary of Administration may, upon recommendation of the Secretary of Human Services, transfer unexpended funds between the respective appropriations for correctional services and for correctional services out-of-state beds. At least three days prior to any such transfer being made, the Secretary of Administration shall report the intended transfer to the Joint Fiscal Office and shall report any completed transfers to the Joint Fiscal Committee at its next scheduled meeting.

Explanation: This language provides DOC with flexibility to move general funds between the Correctional Services and Out of State appropriations. Any surplus funding can then be utilized for budget pressures where it is most needed, which has prevented the need for budget adjustment items over the past few years.

Sec. XX. CARRY FORWARD AUTHORITY

(a) Notwithstanding any other provisions of law and subject to the approval of the Secretary of Administration, General, Transportation, Transportation Infrastructure Bond, Education Fund, Clean Water Fund (Fund 21932), and Agricultural Water Quality Fund (Fund 21933) appropriations remaining unexpended on June 30, 2018 in the Executive Branch of State government shall be carried forward and shall be designated for expenditure.

(b) Notwithstanding any other provisions of law, General Fund appropriations remaining unexpended on June 30, 2018 in the Legislative and Judicial branches of State government shall be carried forward and shall be designated for expenditure.

EXPLANATION: Standard language (see last year: 2017 Act 85, Sec. C.118).

Section XX. USE OF THE GENERAL FUND BALANCE RESERVE

(A) Pursuant to 32 VSA sec 308c(b)(1), \$5,190,000 is unreserved from the General Fund Balance Reserve in FY 2018.

Explanation: Memorializes July 2017 Emergency Board action.

Sec. XX. TRANSPORTATION FUND APPROPRIATION TRANSFER AUTHORITY

(a) Notwithstanding 32 V.S.A. § 706, the Secretary of Administration, after consulting with the Secretary of Transportation, is authorized to transfer balances of fiscal year 2018 Transportation Fund appropriations within the Agency of Transportation to the extent necessary to ensure the continuity of operations of the Agency and mitigate the potential impact of appropriation shortfalls occurring during fiscal year 2018.

(b) In making any appropriation transfers authorized under subsection (a) of this section, the Secretary of Administration shall avoid, to the extent possible, any reductions in appropriations to the town programs described in 19 V.S.A. § 306. Any reductions to these town programs shall be taken from available fiscal year 2018 cash flow, shall not affect projects or grants, and shall be replaced in the affected appropriations in fiscal year 2019.

(c) In July 2018, the Secretary of Administration shall report any adjustments made under the authority of this section to the Joint Fiscal Office, the Joint Fiscal Committee, and the Joint Transportation Oversight Committee.

EXPLANATION: FY 2017 Transportation Fund (TF) revenue shortfall required reducing fiscal year 2017 TF appropriations by \$6,348,784.53 at year-end. This resulted in essentially no TF carryforward except for Town Highway Programs. As a result, VTrans believes that there is significant risk that some appropriations will develop shortfalls that may only become evident late in the fiscal year. This section authorizes the Secretary of Administration to transfer of balances of TF appropriations within the Agency of Transportation to avert the potential for appropriations to run out of funds late in the fiscal year.

Sec. XX. 2017 Acts and Resolves No. 085, Sec. E.909 is amended to read:

(a) Of this appropriation, ~~\$7,904,353~~ \$6,804,353 is appropriated from the Transportation Equipment Replacement Account within the Central Garage Fund for the purchase of equipment as authorized in 19 V.S.A. § 13(b).

EXPLANATION: 19 VSA Sec 13(c) requires the amount designated for equipment purchases to be distinctly appropriated. The FY 2018 Transportation Fund (TF) rescission approved in August by the Joint Fiscal Committee included a \$1,100,000 reduction to Central Garage equipment purchases; therefore this language from Act 85 needs to be amended.

Sec. XX. 2017 Acts and Resolves No. 85, Sec. E.139(a) is amended to read:

(a) Of the appropriation in Sec. B.139 of this act, \$9,000 shall be transferred to the Attorney General and ~~\$26,000~~ \$116,000 shall be transferred to the Department of Taxes, Division of Property Valuation and Review and reserved and used with any remaining funds from the amount previously transferred for final payment of expenses incurred by the Department or towns in defense of grand list appeals regarding the reappraisals of the hydroelectric plants and other property owned by TransCanada Hydro Northeast, Inc. and its successor Great River Hydro, LLC in the State of Vermont. Expenditures for this purpose shall be considered qualified expenditures under 16 V.S.A. § 4025(c).

EXPLANATION: Due to uncertainty regarding the outcome of the litigation for the “Great River Hydro, LLC” (formerly “TransCanada Northeast”) project, this additional funding is requested as contingency funding during SFY18 to support towns’ litigation costs.

Sec. XX. SPECIAL FUND APPROPRIATIONS FOR TAX COMPUTER SYSTEMS

(a) \$6,000,000.00 is appropriated from the Tax Computer System Modernization Special Fund established pursuant to Sec. 282 of No. 65 of the Acts of 2007, as amended in Sec. C.103 of No. 63 of the Acts of 2011, in Sec. 65 of No. 1 of the Acts of 2013, and as further amended in Sec. 62 of No. 95 of the Acts of 2014. In addition to the purposes for which balances in the fund may be used under subdivision (a)(2) of the amended Sec. 282 of No. 65 of the Acts of 2007, this appropriation shall be used for funding the implementation of an ancillary scanning system to enhance the operation of tax types incorporated into the integrated tax system solution. This appropriation shall carry forward through fiscal year 2020.

EXPLANATION: Amendment is required to increase the Department of Taxes' spending authority for fiscal year 2018. Appropriation will be used to make payments to the vendor for the VTax project, and to modernize the Department's scanner software and hardware.