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Andrew Pallito, Commissioner

MEMORANDUM

TO: Representative Toll, Chair, House Appropriations Committee
FROM: Andrew Pallito, Commissioner, Department of Finance & Management
DATE: January 18, 2016
SUBJECT: Adjustments and Changes to the FY 2017 Governor’s Recommended Budget Adjustment

The Administration is recommending five changes and updates to the FY 2017 Governor’s Recommended budget adjustment, submitted to the House Appropriations committee on January 10, 2017.

Debt Service

The adjustment to the Debt service line was incorrectly presented, the following represents the correct adjusted appropriation:

	FY 2017 As Passed	FY 2017 Corrected BAA	Delta
Operating expenses	76,991,491	76,991,491	
Total	76,991,491	76,991,491	
Source of funds			
General fund	—71,119,465	71,120,080	615
Transportation fund	1,884,089	1,884,089	
Special funds	336,000	336,000	
ARRA funds	—1,150,524	1,149,909	(615)
TIB debt service fund	2,501,413	2,501,413	
Total	76,991,491	76,991,491	

Sec. 61 Reversions

Sec. 61 in the Budget adjustment Language as presented the section incorrectly referred to revisions at the end of FY 2016 in error. The language and explanations reference FY 2017. The corrected language is below:

Sec. 61. REVERSIONS

(a) Notwithstanding any provision of law to the contrary, in fiscal year 2016 2017:

Global Commitment Waiver Amendment

The Agency of Human Services is in the process of applying for a Substance Use waiver form the Center for Medicare and Medicaid Services. To allow the agency to seek this waiver, the following language needs to be added to the FY 2017 Budget Adjustment Act:

Sec. XX. GLOBAL COMMITMENT WAIVER AMENDMENT

(a) Upon passage of this act, the Secretary of the Agency of Human Services may seek a Global Commitment to Health Section 1115 demonstration waiver amendment from the Centers for Medicare and Medicaid Services to design, develop, and implement a substance use disorder (SUD) delivery system to ensure a continuum of care to improve care and outcomes for individuals with SUD.

TransCanada Property Tax Appeals

The following language was adopted for inclusion in the FY 2017 budget by the Emergency Board at their meeting on July 21, 2016. The language included in the FY 2017 Governor's recommended budget adjustment did not correctly match the language adopted by the Emergency Board. The language included in Sec. 68 should be removed and the following language inserted in its place:

Sec. 68 GRAND LIST LITIGATION ASSISTANCE

(a) The funds transferred to the Attorney General and Tax Department from Section B.139 by the Emergency Board on July 21, 2016 shall be reserved and used with any remaining funds from the amount previously transferred for 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. in the State of Vermont. Expenditures for this purpose shall be considered qualified expenditures under 16 V.S.A. § 4025(c).

Attorney General – One-time Consumer Protection Funds

The Food Labelling case has concluded and the fund established to support that litigation has a \$264,264.65 balance remaining. The Attorney General is currently involved in 2 consumer protection cases and has estimated the cost to conduct those cases at approximately \$260,000. All monies received by the Food Labelling Fund, including gifts, bequests, grants and donations have been spent from the fund and the balance remaining is all State funds.

Sec. XX. 2014 Act 120 Sec. 4 (d) is amended to read:

(d): On or after ~~July 1, 2018~~ January 1, 2017, if the Attorney General is not involved in ongoing litigation regarding the requirements of 9 V.S.A. chapter 82A and monies in the Fund exceed the costs or liabilities of the Attorney General or the State:

- (1) unexpended monies in the Fund received from private or public sources shall be appropriated by the General Assembly, after review by the Senate and House Committees on Appropriations, the Senate Committee on Agriculture, and the House Committee on Agriculture and Forest Products, for the support of agricultural activities or agricultural purposes in the State, including promotion of value-added products, compliance with water quality requirements, and marketing assistance and development; and
- (2) unexpended State monies in the Fund shall ~~revert~~ be transferred to the General Fund.

Sec XX. FISCAL YEAR 2017 ONE-TIME GENERAL FUND APPROPRIATION

(a) The sum of \$260,000 is appropriated to the Office of the Attorney General to pay costs or liabilities incurred by the Attorney General representing Vermont consumers in pending matters VW and the efficacy of a dietary supplement.