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**MEMORANDUM**

To: Representative Ann Pugh, Chair, House Committee on Human Services

From: Representative Kitty Toll, Chair, House Committee on Appropriations 

Date: January 11, 2017

Subject: Provisions in the Governor's Proposed FY 2017 Budget Adjustment

The House Appropriations Committee has started work on the Governor's proposed FY 2017 Budget Adjustment bill and would like to inform you about proposals related to appropriations from the Department of Mental Health on vocational rehabilitation funding in Section B.314, the Department for Children and Families on various changes within the Department; and the Vermont Veteran's Home relating to the FY2016 RFR of nurses and additional temporary nurses. In addition, there is language on the fund balance to Agency of Human Services Central Office earned federal receipts to support the FY2017 Budget Adjustment bill from sources related to health care in section 60; the repeal of the Home Heating Fuel Assistance Fund no longer in use in section 62; a language revision to the Human Services Caseload Reserve in section 73; and annual language with updated revenue estimates to establish certified state fund match in the Global Commitment waiver in section 75.

The House Appropriations Committee welcomes and appreciates your input and would like to give you the opportunity to comment on any of the proposals; however, it is not necessary to respond to all of the proposals unless you have concerns or recommendations. If you do not wish to comment on any of the issues sent to your committee, please send a quick e-mail or note to the Committee through Theresa Utton-Jerman at [tutton@leg.state.vt.us](mailto:tutton@leg.state.vt.us). If you would like to respond it would be helpful if you could do so by the end of the day on January 19<sup>th</sup>.

There are several House Appropriations Committee budget reporters for these subject areas, please refer to the key sent earlier from our Committee. Please let us know your committees budget liaison for coordination and communications between the two committees.

**Number Sections:**

**B.314 – Mental Health** – Vocational rehabilitation funding to sustain program despite federal funding reduction in FY2017 (\$1.4M). *Note: this section has also been sent to the House Committee on Health Care.*

**B.316 – B.328 – Children and Families.** Various changes within the Department. Please review the attached spreadsheet.

**B.342 – Vermont Veteran’s Home** – FY2016 request for reclassification (RFR) of nurses; additional temporary nurses - \$1,389,927.00. *Note: this section has also been sent to the House Committee on General and Military Affairs.*

**Language Sections:**

**Sec. 60. FUND TRANSFERS**

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

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

|              |   |                      |
|--------------|---|----------------------|
| <u>21054</u> | <u>Misc. Fines &amp; Penalties</u>                | <u>442,849.77</u>    |
| <u>21065</u> | <u>Financial Institute Supervision</u>            | <u>728,499.86</u>    |
| <u>21405</u> | <u>Bond Investment Earnings</u>                   | <u>161,100.90</u>    |
| <u>21550</u> | <u>Land &amp; facilities Trust Fund</u>           | <u>450,000.00</u>    |
| <u>21641</u> | <u>AG – Administrative Special Fund</u>           | <u>30,848.02</u>     |
| <u>21638</u> | <u>AG -Fees &amp; reimbursements -Court order</u> | <u>2,400,000.00</u>  |
| <u>22005</u> | <u>AHS Central Office earned federal receipts</u> | <u>28,040,542.00</u> |
| <u>50300</u> | <u>Liquor Control Fund</u>                        | <u>955,000.00</u>    |
|              | <u>Caledonia Fair</u>                             | <u>5,000.00</u>      |
|              | <u>North Country Hospital Loan</u>                | <u>24,250.00</u>     |

**EXPLANATION:** Funds available to be transferred to the General Fund. *Note: this section has also been sent to the House Committee on Health Care.*

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**(4) The following amount shall be transferred to the General Fund from the Agency of Human Services earned federal receipts and reserved in the Human Services Caseload reserve established in 32 V.S.A. § 308b and amended by this Act.**

|              |   |                      |
|--------------|---|----------------------|
| <u>22005</u> | <u>AHS Central Office earned federal receipts</u> | <u>10,000,000.00</u> |
|--------------|---|----------------------|

**EXPLANATION:** There is sufficient onetime earned federal receipts held by the Agency of Human Services to transfer part of the unallocated balance to the Human Services caseload reserve for unanticipated caseload needs in FY 2017 or a future fiscal year. *Note: this section has also been sent to the House Committee on Health Care.*

**Sec. 62. HOME HEATING FUEL ASSISTANCE FUND REPEAL AND TRANSFER**

**(a) 33 V.S.A. §2602(d) and 33 V.S.A. §2603 Home Heating Fuel Assistance Fund (#21210) are repealed.**

**(b) The balance remaining in the fund shall be transferred to the General Fund.**

(c) This section shall be effective on passage.

**EXPLANATION:** The Home Heating Fuel Assistance Fund has not been used since FY 2008. In FY 2009 the federal appropriations to the fund were discontinued because the fund was not in compliance with federal regulations. This language repeals a fund no longer in use and transfer the small balance (about \$700) to the General Fund.

**Sec. 73.** 32 V.S.A. § 308b is amended to read:

(a) There is created within the General Fund a Human Services Caseload Management Reserve. Expenditures from the Reserve shall be subject to an appropriation by the General Assembly or approval by the Emergency Board. Expenditures from the Reserve shall be limited to Agency of Human Services caseload-related needs primarily in the Departments for Children and Families; of Health; of Mental Health; of Disabilities, Aging, and Independent Living; of Corrections and of Vermont Health Access.

(b) The Secretary of Administration may transfer to the Human Services Caseload Reserve any General Fund carry-forward directly attributable to Agency of Human Services Aid to Needy Families with Children (ANFC) caseload reductions or savings and the effective management of related federal receipts.

**EXPLANATION:** Update to the Human Service Caseload Reserve Language to include all programs and agencies in the Agency of Human Services.

**Sec. 75.** 2016 Acts and Resolves No. 172, Sec. E.301(b) is amended to read:

(b) In addition to the State funds appropriated in this section, a total estimated sum of ~~29,633,326~~ \$28,082,571 is anticipated to be certified as State matching funds under the Global Commitment as follows:

(1) ~~18,500,400~~ \$23,068,400 certified State match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with ~~\$21,999,600~~ \$27,431,600 of federal funds appropriated in Sec. B.301 of this act equals a total estimated expenditure of ~~\$40,500,000~~ \$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) \$4,091,214 certified State match available from local education agencies for direct school-based health services, including school nurse services, that increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.~~

(3) ~~\$1,883,273~~ \$941,637 certified State match available from local education agencies for eligible services as allowed by federal regulation for early periodic screening, diagnosis, and treatment programs for school-age children.

(4) ~~\$2,731,052~~ \$1,716,095 certified State match available via the University of Vermont's Child Health Improvement Program for quality improvement initiatives for the Medicaid program.

(5) ~~\$2,427,387~~ \$2,356,439 certified State match available from local designated mental health and developmental services agencies for eligible mental health services provided under Global Commitment.

**EXPLANATION:** Annual language (with updated revenue estimates) to establish certified state fund match as defined in the Global Commitment waiver. School-based health services no longer eligible be claimed as Investment per the Centers for Medicaid & Medicare Services.  
*Note: this section has also been sent to the House Committee on Health Care.*

Thank you for your review and consideration.