

H.518: FY 2018 House Appropriations Budget Highlight

<u>HAC (\$millions) unduplicated</u>				<u>Governor (\$millions) unduplicated</u>			<u>Gov. Adjusted*</u>	
	<u>FY 2017</u> <u>BAA+Chgs</u>	<u>FY 2018</u> <u>Proposed</u>	<u>1 Yr</u> <u>Growth</u>	<u>BAA</u> <u>As Passed</u>	<u>FY2018</u> <u>Proposed</u>	<u>1 Yr</u> <u>Growth</u>	<u>FY2018</u> <u>Gov Adj</u>	<u>1 Yr</u> <u>Growth</u>
General Fund	\$1,535.7	\$1,563.8	1.8%	\$1,533.2	\$1,542.0	0.6%	\$1,552.0	1.2%
All State Funds	\$2,459.6	\$2,479.7	0.8%	\$2,459.6	\$2,479.4	0.0%	\$2,467.4	0.4%
Net Ed Fund	\$1,271.9	\$1,305.6	2.7%	\$1,271.9	\$1,295.7	1.9%	\$1,356.7	6.7%
Grand Total	\$5,755.2	\$5,815.5	1.0%	\$5,752.6	\$5,786.2	0.6%	\$5,857.1	1.8%

**Adjusted for \$10m for EBoard adopted Medicaid budget and EF Local Spending*

Overview of House Proposal:

- **Protects the Education Fund:**
 - Limits Education Fund use to allowable education fund expenditures
 - Reinstates the Statutory Education Fund transfer
 - Does not remove local decision making for Education Spending
- **Lives within existing revenues plus \$5M from added collection efforts:**
 - 1.8% General Fund growth is below FY 2018 3.7% revenue growth and below 2% projected Gross State Product growth
- **Protects & strengthens reserves—Statutory 5% reserves full; proposes to bring Rainy Day Fund from \$6.8M to over \$10M. Caseload Reserve at \$18.26 and 27/53rd reserve at \$5.28M—Overall, GF-like reserves \$111M or over 7%.**
- **Keeps promise to maintain the FY 2018 rollout of 2% increases to designated agencies and other providers that began September 2016.**
- **Stabilizes Existing Programs:**
 - Home Health: Provides increases to Home Health agencies
 - Mental Health: Made investments for crisis beds staffing and more housing through a “housing first” initiative and a geriatric psychiatric patient pilot, intended to reduce pressure and cost in the health care system
 - Higher Education: Provides an additional \$2 million in VSC support from the Higher Education Trust Fund and with capital and one time funds provides \$880,000 for the second installment for the transition of Lyndon and Johnson to Northern Vermont University
 - Corrections: Expands electronic monitoring to reduce out-of-state beds use; does not reduce in-state work camp capacity.
 - Municipal PILOT Funding: Increased payment in lieu of taxes (PILOT) to municipalities that host state buildings to \$7.6 million—funding approximately 76% of estimated PILOT obligations
 - State Employees: Funds personal reclassifications, labor contracts and State employee and teacher’s retirement fund obligations
- **Continues to Contain Spending:**
 - Adopts \$4.5 of Administration reductions; Requires another \$1.5 million across agencies from structural changes
 - Reduces human service grants \$1.25 million in the second half of the year annualized in FY 2019
 - Makes additional budgetary reductions throughout government
- **Takes several initial steps toward multiyear budgeting including two year budget for the Agency of Agriculture and other initiatives.**