



STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE

MEMORANDUM

TO: Senate Appropriations Committee

FROM: Maria Belliveau

DATE: January 26, 2017

SUBJECT: General Fund Reversion from the Agency of Education

I understand that the Senate Appropriations Committee has a question about the \$245,000 General Fund reversion that is included in Sec. 61(a)(1) REVERSIONS. I had a conversation with Bill Talbott who gave me the following information.

The Agency of Education had earmarked \$245,000 to upgrade their grants management system. They issue over 1,000 grants a year and they have an automated management system that is supported by a vendor. The Agency was going to work with the vendor to continue supporting the system but the vendor decided to change course and declined to work with the Agency. The Agency has issued an RFP to find a new vendor.

Meanwhile, the Agency was asked by the Administration to find some general funds to help balance the State budget. The decision was made to give up this \$245,000 because there was an alternate source of funds that could be used once a new vendor was identified. The new source of funds is \$750,000 from the 30% pool of Medicaid funds that is allowed to be used for administration of the Special Education/Medicaid program with the schools districts.