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*Susanne R. Young, Secretary*

February 1, 2018

Honorable Kitty Toll, Chair  
House Committee on Appropriations  
Vermont State House  
Montpelier, VT 05609

Dear Representative Toll:

I write with respect to H.633, An Act Relating to Fiscal Year 2018 Budget Adjustments (BAA), as passed by the Senate on January 30, 2018.

The Governor's initial BAA recommendation to the House used a substantial portion of the \$6 million surplus to pre-fund three known liabilities in FY2019: the 27<sup>th</sup> pay period Reserve, and transfers to both the ERAF Fund and the Tobacco Trust Fund. We also asked to set aside \$3.18 million to launch a new and innovative ThinkVermont/Move economic development initiative. While the Administration appreciates the attention the House and Senate gave to the initiative, and we appreciate the Temporary Reserve to carry the money – and the dialogue – forward into FY2019, we ask once again to return to the Governor's original proposal and appropriate the money for use in FY2018. This will allow us to start the initiative in the Spring and underscores the urgency of the labor market challenge we face.

The Administration also notes the Senate Committee on Appropriations used the \$1.9 million revenue upgrade in the Transportation Fund to make three additional appropriations. The FY2019 Transportation Program relies on an assumption of \$4,000,000 of new revenues that would result from an agreement between the Agency of Transportation and TDI New England for their proposed use of highway right-of-way for a project that would deliver electricity from Quebec to Massachusetts. Given the uncertainty surrounding those new revenues, the Administration prefers that any new money made available from the January forecast be set aside and not appropriated.

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The Administration appreciates your consideration of the above concerns with the Senate-passed BAA and looks forward to working with you at your convenience.

Sincerely,



Susanne R. Young  
Secretary of Administration

- c: Representative Catherine Toll, Chair, House Committee on Appropriations Committee
- Representative Janet Ancel, Chair, House Committee on Ways and Means Committee
- Representative Mitzi Johnson, Speaker, House of Representatives
- Senator Ann Cummings, Chair, Senate Committee on Finance
- Senator Tim Ashe, Senate President Pro Tempore
- Stephen Klein, Chief Fiscal Officer, Joint Fiscal Office
- Adam Greshin, Commissioner, Department of Finance and Management
- Secretary Michael Schirling, Agency of Commerce and Community Development
- Secretary Joe Flynn, Agency of Transportation