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Andrew Pallito, Commissioner

MEMORANDUM

TO: Senator Kitchel, Chair, Senate Appropriations Committee
FROM: Andrew Pallito, Commissioner, Department of Finance & Management
DATE: February 1, 2017
SUBJECT: Summary of RFR Costs included in the FY 2017 Budget Adjustment

As part of the FY 2017 Governor’s recommended budget adjustment, the Administration included additional appropriations associated with the increased salary and salary related benefits costs driven by a large position reclassifications that occurred in FY 2016. The financial impact of the reclassifications was not fully known at the time that the FY 2017 budget was constructed and passed by the legislature. As such, the affected departments and agencies did not include the funds necessary to cover the increase personnel costs in the FY 2017 budgets, nor was this contemplated as part of the FY 2017 Pay Act appropriation. The following table summarizes the changes included in the FY 2017 Budget Adjustment:

FY 2017 RFRs included in the BAA						
	General Fund	Federal Funds	Medicaid	Other	Total	Total State Funds
Nurses						
Health	127,761	425,469	562,849	-	1,116,079	384,870
Mental Health *	-		339,876		339,876	155,255
DAIL	433,006	424,206	99,286		956,498	478,360
Vermont Veterans' Home	1,014,927				1,014,927	1,014,927
Subtotal Nurses	1,575,694	849,675	1,002,011	-	3,427,380	2,033,413
Business Process Specialists						
DVHA	117,955	362,521		33,731	514,207	151,686
DCF	415,812	285,871	6,906	3,418	712,007	422,385
Subtotal Nurses	533,767	648,392	6,906	37,149	1,226,214	574,071
Liquor Control				31,932	31,932	31,932
Total RFR Costs	2,109,461	1,498,067	1,008,917	69,081	4,685,526	2,639,416
* Some of these costs were anticipated in the FY 2017 budget build at DMH						