



STATE OF VERMONT
GENERAL ASSEMBLY
HOUSE COMMITTEE ON ENERGY AND
TECHNOLOGY

MEMORANDUM

To: Representative Kitty Toll, Chair, House Committee on Appropriations
From: Representative Timothy Briglin, Chair, House Committee on Energy and Technology
Date: February 20, 2019
Subject: Provisions in the Governor's Proposed FY 2020 State Budget

As requested, the House Committee on Energy and Technology has reviewed the Governor's Recommended FY 2020 State Budget as it pertains to subject matters within our Committee's jurisdiction.

Our recommendations address, in turn, each of the items listed in the "index of budget content for review" that you provided to us on February 8, 2019.

Sec. C.100 contains four proposed FY 2019 one-time General Fund appropriations.

First, there is a \$500,000 appropriation to the Agency of Digital Services (ADS). \$200,000 of this appropriation is for network device upgrades to enhance network safety, and \$300,000 of this appropriation is for network assessment.

Recommendation:

Second, there is a \$540,000 appropriation to the Agency of Commerce and Community Development (ACCD) to be granted to the Vermont Economic Development Authority (VEDA) to serve as loan reserves for the Broadband Expansion Loan Program, which will provide start-up capital to alternative broadband providers. This mirrors a proposal in our omnibus telecommunications committee bill, 19-1206 (Telecom Bill).

Recommendation:

Third, there is a \$500,000 appropriation to the Department of Buildings and General Services (BGS) for the purpose of installing electric vehicle charging stations at State facilities, and to support the purchase of fully electric vehicles for the State motor pool.

Recommendation:

Fourth, there is a \$500,000 appropriation to the Department for Children and Family Services (DCF) to supplement weatherization efforts.

Recommendation:

Secs. C.104 and 104.1 contain two, one-time General Fund appropriations and the substantive provisions concerning the newly created ThinkVermont Innovation Fund.

First, there is a \$955,000 appropriation to the Connectivity Fund for the sole purpose of funding grants through the Connectivity Initiative. This program provides funding to Internet service providers (ISPs) to deploy last-mile locations lacking 4/1 Mbps service. The program was established in 2014, is administered by the Department of Public Service, and is funded through the Vermont Universal Service Fund (VUSF). The Department has indicated that there is no available funding for grants next year.

A similar appropriation is made in our Telecom Bill.

Recommendation: Our Committee recommends allocating the \$955,000 as follows:

•

Second, there is a \$45,000 appropriation to the ThinkVermont Innovation Fund to fund technical assistance grants for connectivity projects. As further described in Sec. 104.1, this special fund, which would be administered by ACCD, would provide technical assistance grants to “Vermont communities planning broadband projects.”

A similar appropriation and Fund description are in our Telecom Bill.

Recommendation:

Secs. C.106 and C.107 concern the State’s bonding authority related to the proposed Broadband Expansion Loan Program administered by VEDA.

As noted above, the substantive provisions of the proposed Program are contained in our Telecom Bill. The specific proposals here would increase VEDA’s bonding authority by \$6,000,000 and decrease the Vermont Telecommunications Authority’s bonding authority by \$6,000,000.

Recommendation:

Sec. C.108 concerns the creation of an electric vehicle purchase and lease incentive with contingent funding.

This proposal would allow up to \$1,500,000 of Volkswagen settlement funds remaining in the AG-Fees & Reimbursements-Court Order fund number 21638 to fund the incentive program, which would be administered by the Agency of Transportation.

Recommendation:

Sec. E.102 concerns extending the preliminary period of the State Energy Management Program for an additional four years. This program is administered by BGS and Efficiency Vermont to deliver energy-efficiency and conservation measures in State buildings and facilities. This proposal would fund the positions for this program for an additional four years.

Recommendation:

Sec. E.139 concerns an annual appropriation to the Attorney General and the Department of Taxes to fund the litigation expenses of the Department or towns to defend grand list appeals regarding the reappraisal values of hydroelectric plants and other property owned by “Great River Hydro, LLC” (Formerly the “TransCanada Northeast project).

This proposal would transfer \$9,000 to the Attorney General and \$70,000 to the Department of Taxes, Division of Property Valuation and Review.

Recommendation:

Sec. E.233 concerns the allocation of gross receipts revenue collected from regulated utilities.

The gross receipts tax is applied to regulated utilities in Vermont. By statute, the funds raised are allocated to the Public Utility Commission (PUC) (40%) and DPS (60%). The proposal is to redistribute the funds as follows: 35% to the PUC and 45% to DPS.

Recommendation:

Sec. E.400 concerns the Workers’ Compensation Administration Fund, which was created to expend funds relating to the administration of the workers’ compensation program.

This proposal would expand the scope of the statutory authority of the Fund to allow the Commissioner of Labor to use State monies in the Fund for IT investments not otherwise covered by federal funds.

Recommendation:

Sec. E.500.1 concerns the requirement to unify the statewide school finance and financial management data system.

This proposal would allow for payments to be made for contracted services to support the implementation of this system.

Recommendation:

Sec. E.711.1 concerns the administrative costs of the Environmental Contingency Fund.

This proposal would allow the Department of Environmental Conservation to recover costs associated with administering the Environmental Contingency Fund. Currently, the Department is allowed to recoup up to 2% annually of the fund for administrative costs, but this would allow up to 6% to be recovered.

Recommendation:

This concludes our recommendations. If you have any questions or would like additional information from us, please do not hesitate to reach out, as you deem appropriate.

Thank you for the opportunity to provide input on these important matters.