

DRAFT

Theresa Utton-Jerman
1/8/2020

No. XX. An act relating to fiscal year 2020 budget adjustments.

Sec. XX. 2019 Acts and Resolves No. 72 (Special Session), Sec. D.101 is amended to read:

Sec. D.101 FUND TRANSFERS, AND REVERSIONS AND RESERVES

(b) Notwithstanding any provision of law to the contrary, in fiscal year 2019:

(1) The following amounts shall be transferred to the General Fund from the funds indicated:

21923	<u>Historic Property Stab & Rehab</u>	32,917.00	-Commerce
22005	AHS Central Office earned federal receipts	15,874,593.00	
50300	<u>Liquor Control Fund</u>	1,805,000.00	} General
	<u>Liquor Control Fund</u>	18,370,000.00	
62100	<u>Unclaimed Property Fund</u>	2,505,143.00	} Gov. Ops.
	<u>Unclaimed Property Fund</u>	2,889,512.00	
	Caledonia Fair	5,000.00	
	<u>North Country Hospital Loan</u>	24,250.00	} Health Care
	<u>North Country Hospital Loan</u>	24,047.30	

(3) In fiscal year 2020, notwithstanding 2016 Acts and Resolves No. 172, Sec. E.228, ~~\$32,455,763~~ \$33,104,193 of the unencumbered balances in the Insurance Regulatory and Supervision Fund (Fund Number 21075), the Captive Insurance Regulatory and Supervision Fund (Fund Number 21085), and the Securities Regulatory and Supervision Fund (Fund Number 21080) shall be transferred to the General Fund.

(4) The following amounts shall be transferred from the General Fund to the funds indicated:

<u>21370</u>	<u>Tobacco Litigation Settlement Fund</u>	<u>1,500,000.00</u>	<i>- Health Care</i>
<u>21555</u>	<u>Emergency Relief and Assistance Fund</u>	<u>1,476,322.00</u>	<i>- Transportation</i>
<u>56100</u>	<u>Workers' Compensation Fund</u>	<u>2,715,144.00</u>	} <i>Gov. Ops.</i>
<u>56200</u>	<u>State Liability Insurance Fund</u>	<u>2,323,899.00</u>	
<u>56300</u>	<u>Risk Management – all other insurance</u>	<u>128,000.00</u>	
<u>58600</u>	<u>Equipment Revolving Fund</u>	<u>945,000.00</u>	<i>- Institutions</i> <i>- Energy & Tech.</i>

(A) Of the amount transferred to the Emergency Relief and Assistance Fund,

\$865,000 is intended to meet additional projected funding needs for fiscal year 2020, and the remainder is to be applied toward pre-funding projected needs for fiscal year 2021.

(B) Of the amount transferred to the Equipment Revolving Fund, \$945,000 shall be

for the intended purpose of establishing revolving loans for Information Technology needs and shall be tracked and reported separately from other Equipment Revolving Fund activity.

(c) Notwithstanding any provisions of law to the contrary, in fiscal year 2020:

(1) The following amounts shall revert to the General Fund from the accounts indicated:

<u>1130030000</u>	<u>Department of Libraries</u>	<u>106,000.00</u>	<i>- Gov. Ops.</i>
<u>1210001000</u>	<u>Legislative Council</u>	<u>75,000.00</u>	
<u>1210002000</u>	<u>Legislature</u>	<u>175,000.00</u>	
<u>1220000000</u>	<u>Joint Fiscal Office</u>	<u>30,000.00</u>	
<u>1240001000</u>	<u>Lieutenant Governor</u>	<u>1,555.54</u>	
<u>2130100000</u>	<u>State's Attorneys</u>	<u>116,991.45</u>	} <i>Gov. Ops.</i>
<u>2130200000</u>	<u>Sheriffs</u>	<u>354,968.67</u>	
<u>2130400000</u>	<u>Special investigative unit</u>	<u>2,603.49</u>	
<u>2170010000</u>	<u>Criminal Justice Training Council</u>	<u>6,772.00</u>	

<u>3300010000</u>	<u>Vermont Veterans' Home</u>	<u>50,000.00</u>	- General Human Services
<u>3310000000</u>	<u>Commission on Women</u>	<u>1,732.18</u>	
<u>3330010000</u>	<u>Green Mountain Care Board</u>	<u>80,674.56</u>	- Health Care
<u>1260891402</u>	<u>Public Retirement Plan Study</u>	<u>1,159.71</u>	
<u>2240891101</u>	<u>Case Mgmt Syst-docket files</u>	<u>3,777.50</u>	
<u>5100891904</u>	<u>Staff to Student Task Force</u>	<u>7,320.00</u>	

(2) The following amounts shall revert to the Education Fund from the accounts indicated:

<u>5100040000</u>	<u>Special Education Formula</u>	<u>87,050.70</u>	} Education
<u>5100050000</u>	<u>State-Placed Students</u>	<u>161,178.15</u>	
<u>5100090000</u>	<u>Education Grants</u>	<u>5,692,153.71</u>	
<u>5100100000</u>	<u>Transportation</u>	<u>489.14</u>	
<u>5100110000</u>	<u>Small Schools</u>	<u>20,167.00</u>	
<u>5100190000</u>	<u>Essential Early Education</u>	<u>19,275.92</u>	
<u>5100200000</u>	<u>Technical Education</u>	<u>1,042,705.01</u>	
<u>5100210000</u>	<u>Ed-Flexible Pathways</u>	<u>1,274,806.98</u>	

(3) The following amounts shall revert to the Federal Fund 22005 from the accounts indicated:

<u>7110030000</u>	<u>Community development block grant</u>	<u>25,246,030.33</u>	} Commerce
-------------------	--	----------------------	------------

(d) Notwithstanding any provisions of law to the contrary, in fiscal year 2020 the following General Fund reserves shall be made:

(1) Pursuant to 32 V.S.A. § 308, \$1,643,980.40 shall be reserved in the General Fund Budget Stabilization Reserve.

(e) Notwithstanding any provisions of law to the contrary, in fiscal year 2020 the following shall be unreserved:

(1) Pursuant to 2018 (Special Session) Acts and Resolves No. 11, Sec. D.101, as amended by 2019 Acts and Resolves No. 6, Sec. 56, and as further amended by 2019 Acts and Resolves No. 72, Sec. C.102, \$850,000 is made available for general fund appropriations in fiscal year 2020.

EXPLANATION: FY 2020 updated estimated direct applications, transfers, reversions and reserves to/(from) the General Fund, the Education Fund and the Federal Fund in addition to the capitalization of IT revolving loans and the prefunding of future ERAF obligations. Language pursuant to the statutory reserving of general funds in the Budget Stabilization Reserve is added to document its component use of the general fund budget.

Sec. XX. 2019 Acts and Resolves No. 72, Sec. D.105 is added to read:

Sec. D.105 CONTRIBUTION TO THE 27/53 RESERVE

(a) \$2,180,000 general fund shall be reserved in the 27/53 reserve in fiscal year 2020.

This action is the fiscal year 2021 contribution to the 27th payroll reserve as required by 32 V.S.A. Sec. 308e.

EXPLANATION: Pre-payment of the FY 2021 27th payroll reserve requirement.

Sec. XX. 2019 Acts and Resolves No. 72, Sec. D.106 is added to read:

Sec. D.106 EXEMPTIONS FROM TRANSPORTATION FUND BUDGET STABILIZATION RESERVES

(a) Transportation Fund amounts totaling \$3,052,932.49, reverted under the Secretary of Administration's carry-forward authority in 2019 Acts and Resolves No. 6, Sec. 79(a), are exempt from the fiscal year 2019 Transportation Fund appropriation total used to calculate the five percent budget stabilization requirement for fiscal year 2020 in 32 V.S.A. § 308a.

EXPLANATION: Transportation Fund revenue reductions at FY2019 year-end have entailed reversions of FY2019 spending authority, which should reduce the amounts needed to fulfill the 5% budget stabilization calculation in 32 VSA Sec 308a.

Sec. XX. CARRY FORWARD AUTHORITY

(a) Notwithstanding any other provisions of law and subject to the approval of the Secretary of Administration, General, Transportation, Transportation Infrastructure Bond, Education Fund, Clean Water Fund (Fund 21932), and Agricultural Water Quality Fund (Fund 21933) appropriations remaining unexpended on June 30, 2020 in the Executive Branch of State government shall be carried forward and shall be designated for expenditure.

(b) Notwithstanding any other provisions of law, General Fund appropriations remaining unexpended on June 30, 2020 in the Legislative and Judicial branches of State government shall be carried forward and shall be designated for expenditure.

Gov. Ops

Trans.

Sec. XX. FISCAL YEAR 2020 ONE-TIME GENERAL FUND APPROPRIATIONS

(a) In fiscal year 2020, the sum of \$370,000 is appropriated to the Secretary of Administration for distribution to departments to provide funding for the fiscal year 2020 change to the Vermont State Employees Retirement System's employer contribution rate.

Gov. Ops

(b) In fiscal year 2020, the sum of \$25,000 is appropriated to the Agency of Commerce and Community Development for the launch of the USS Vermont.

Commerce

(c) In fiscal year 2020, the sum of \$450,000 is appropriated to the Secretary of State for calendar year 2020 general election expenditures.

Gov. Ops.

EXPLANATION: One-time appropriations of general funds for the purposes described above.

Sec. XX. 2019 Acts and Resolves No. 72, Sec. C.100 is amended to read:

(a) In fiscal year 2019, funds are appropriated from the General Fund and shall be carried forward as follows:

(21) To the ~~Department of Disabilities, Aging and Independent Living~~ Agency of Human Services, Global Commitment: \$750,000. These funds shall be matched with federal Medicaid funds and expended in equal amounts over fiscal years 2020 through 2022. In each year these funds shall be for the statewide administration of the Support and Services at Home (SASH) program. The intent is for this portion of statewide administration funding to transition to the statewide ACO as additional Medicare covered lives are attributed to the ACO during this three-year period. These funds are in addition to other funding included in the Department's budget for SASH. The Department shall include a report on the SASH statewide administration with the fiscal year 2021 budget presentation.

Human Services Health Care

EXPLANATION: These funds need to be appropriated to the Agency of Human Services to be used as the State match for the SASH Global Commitment Investment.

Sec. XX. 2019 Acts and Resolves No. 72, Sec. E.215 is amended to read:

(a) The amount of ~~\$1,426,718~~ \$1,329,150 shall be disbursed to the Vermont Student Assistance Corporation for the National Guard Educational Assistance program established in 16 V.S.A. § 2856 and the National Guard Tuition Benefit Program established in 16 V.S.A. § 2857.

(b) Up to \$97,568 shall be disbursed by the Military to the Vermont State Colleges to fund the difference between Northern Vermont University tuition rates and Vermont Technical College tuition rates for students attending Vermont Technical College and participating in the National Guard Tuition Benefit Program.

EXPLANATION: The National Guard Tuition Benefit Program (NGTBP) currently funds UVM at the UVM resident rate, CCV at the CCV resident rate, NVU at the NVU resident rate and all other state colleges and private college receive the NVU resident rate. The Guard's understanding was that Vermont State Colleges (VSC) would provide scholarships for the difference in rates at VTC and Castleton. Presently a subset of students are being billed a combined total of \$60K by VTC and Castleton so far this year. VSAC ended fiscal year 2019 with a remaining balance of \$97,568 in underspent grant funds. The Military allowed VSAC to carry these funds into fiscal year 2020. By reducing the fiscal year 2020 grant to VSAC, the Military has the necessary appropriation to disburse funds to the VSC to address the tuition benefit funding shortfall, and VSAC has its necessary funding due to retaining \$97K of its fiscal year 2019 grant award.

Sec. XX. 2019 Acts and Resolves No. 72, Sec. E.219 is amended to read:

(a) Of this appropriation, \$1,000 shall be used for continuation of the Vermont Medal Program; \$4,800 shall be used for the expenses of the Governor's Veterans' Advisory Council; \$7,500 shall be used for ~~The Veterans' Day parade~~ Boy Scout Summer Camp Scholarships; \$5,000 shall be used for the Military, Family, and Community Network; and \$10,000 shall be granted to the American Legion for the Boys' State and Girls' State programs.

EXPLANATION: The November 2019 Veteran's Day Parade in Middlebury was originally planned to be hosted by the Middlebury Legion. However, a major construction project taking place in downtown Middlebury prevented the parade from occurring in Middlebury. Since the funding was not used for the parade this year, the Boy Scouts have made a request to repurpose the \$7,500 for summer camp scholarships. The request for assistance to attend summer camp historically outstrips the funds that are available to provide scholarships. The Scout District will be accepting scholarship applications through April 13, 2020 for the upcoming summer camps.

Sec. XX. 2019 Acts and Resolves No. 72, Sec. E.301 is amended to read:

General Education

General

(b) In addition to the State funds appropriated in this section, a total estimated sum of \$26,348,983 ~~\$26,351,634~~ is anticipated to be certified as State matching funds under the Global Commitment as follows:

(1) \$23,295,650 certified State match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with \$27,204,350 of federal funds appropriated in Sec. B.301 of this act equals a total estimated expenditure of \$50,500,000. An amount equal to the amount of the federal matching funds for eligible special education school-based Medicaid services under Global Commitment shall be transferred from the Global Commitment Fund to the Medicaid Reimbursement Special Fund created in 16 V.S.A. § 2959a.

(2) ~~\$3,053,333~~ \$3,055,984 certified State match available from local designated mental health and developmental services agencies for eligible mental health services provided under Global Commitment.

EXPLANATION: Amounts updated to reflect current estimates.

Sec. XX. 2019 Acts and Resolves No. 72, Sec. E.308.1 is amended to read:

(a) The amount of the State supplement for all Medicaid beneficiaries residing ~~who reside~~ in a nursing homes, including those who ~~and~~ receive Supplemental Security Income and those who do not receive Supplemental Security Income, shall increase by \$25 per person per month on January 1, 2020. The Secretary of Human Services shall request approval from the Centers for Medicare and Medicaid Services for an amendment to Vermont's Medicaid State Plan to increase the amount of the personal needs allowance for Medicaid beneficiaries residing in nursing homes. This increase shall be reflected in future budget recommendations."

Health Care

EXPLANATION: Per the Legislative letter of intent for 2019 Act 72, this technical correction is needed to make clear that this increase applies to all Medicaid beneficiaries who reside in nursing homes and is not limited to only those who also receive SSI.

Sec. XX 2019 Acts and Resolves No. 72, Sec. E.812 is added to read:

Sec. E.812 VERMONT READS

*Education
Commerce*

next page

(a) Of the general funds provided in fiscal year 2020 in Sec. B.812, \$10,000 is allocated for Vermont Reads 2019-2020.

continued from previous page

EXPLANATION: This language expressly states what the additional appropriation of \$10,000 general fund shall be used for.

Sec. XX. 2109 Acts and Resolves No. 72, Sec. E.905 is added to read:

Sec. E.905 SUPPLEMENTAL MAINTENANCE OR PROJECT SPENDING

(a) Notwithstanding 32 V.S.A. § 706 and the limits on program, project, or activity spending authority approved in the fiscal year 2020 Transportation Program, the Secretary of Transportation, with the approval of the Secretary of Administration and subject to the provisions of subsection (b) of this section, may transfer up to \$3,000,000.00 in Transportation Fund appropriations, other than appropriations for the Town Highway State Aid, Structures, and Class 2 roadway programs as follows:

(A) to the Transportation – Maintenance State System (8100002000) appropriation, for the specific purpose of addressing the overall cost of highway maintenance during fiscal year 2020.

(B) to the Transportation – Program Development (8100001100) appropriation, for the specific purpose of averting delays to project schedules.

(b)(1) If a contemplated transfer of an appropriation would not significantly delay the planned work schedule of a project, the Secretary may execute the transfer and shall give prompt notice thereof to the Joint Fiscal Office and to the House and Senate Committees on Transportation when the General Assembly is in session and, when the General Assembly is not in session, to the Joint Fiscal Office and the Joint Transportation Oversight Committee.

(2) If a contemplated transfer of an appropriation would, by itself, significantly delay the planned work schedule of a project, the Secretary:

(A) when the General Assembly is in session, may execute the transfer, but shall give the House and Senate Committees on Transportation advance notice of at least 10 business days prior to executing the transfer; or

TRANS.

(B) when the General Assembly is not in session, may execute the transfer, but shall give prompt notice of the transfer to the Joint Fiscal Office and the Joint Transportation Oversight Committee.

(c) In July 2020, the Secretary of Administration shall report all appropriations reductions made under the authority of this section to the Joint Fiscal Office, the Joint Fiscal Committee, and the Joint Transportation Oversight Committee.

EXPLANATION: Provides authority to transfer Transportation Funds from other Agency of Transportation appropriations to the Maintenance appropriation to address excessive highway maintenance costs or to the Program Development appropriation to avert delays in project schedules.

Sec. XX 2018 Acts and Resolves (Special Session) No. 11, Sec. C.105.1 is amended to read:

(a) Appropriations: Notwithstanding 32 V.S.A. § 435a(a), the following appropriations shall be made from the Tobacco Litigation Settlement Fund:

(4) \$1,000,000 to the Agency of Human Services. The use of these funds shall be pursuant to the plan specified by the ~~Tobacco Evaluation and Review Board~~ Department of Health.

EXPLANATION: As this appropriation has carried forward each fiscal year, the Tobacco Evaluation and Review Board was disbanded and their advisory role on tobacco use was subsumed by Substance Misuse Advisory Council. The Review Board was created prior to the existence of the Department of Health's Tobacco Cessation Program that now has the capacity and expertise to develop and execute anti-tobacco messaging and cessations plans. This technical adjustment aligns present and future plans with the original appropriation of \$1M general funds.

Sec. XX. 2019 Acts and Resolves No. 44, Sec. 4 is amended to read:

The establishment of the following new ~~classified~~ full-time positions is authorized in fiscal year 2020 for purposes of implementing and administering the State Hemp Program under 6 V.S.A. chapter 34:

(1) In the Agency of Agriculture, Food and Markets—exempt attorney counsel position.

(2) In the Agency of Agriculture, Food and Markets—classified laboratory and certification specialist.

(3) In the Agency of Agriculture, Food and Markets—classified enforcement specialist.

Trans.

Health Care

*Agriculture
Gov. Ops.*

EXPLANATION: Per the Act 72 Legislative Intent Letter, this technical change addresses the requirement that attorney positions be exempt pursuant to 3 VSA Sec. 311.

see previous page

Sec. XX. 2019 Acts and Resolves No. 80, Sec. 20 is amended to read:

The \$2,000,000.00 appropriated from the General Fund for economic development initiatives in Sections C.100(30) and (31) of H.542 (2019) shall be allocated pursuant to this section.

Commerce

EXPLANATION: Technical correction required to accurately reference the final appropriations language of Act 72 (H.542).

Sec. XX. 2019 Acts and Resolves No. 83, Sec. 15 is repealed:

~~Sec. 26a. TRANSFER FROM CEDF TO GENERAL FUND; TAX EXPENDITURE; ADVANCED WOOD BOILERS~~

~~(a) Beginning on July 1, 2018, the Clean Energy Development Fund quarterly shall calculate the forgone sales tax on advanced wood fired boilers resulting from the sales tax exemption under 32 V.S.A. § 9741(52) for advanced wood boilers. Beginning on October 1, 2018, the Clean Energy Development Fund shall notify the Department of Taxes of the amount of sales tax forgone in the preceding calendar quarter resulting from the sales tax exemption under 32 V.S.A. § 9741(52) for advanced wood boilers.~~

~~(b) In fiscal years 2019 and 2020, the Clean Energy Development Fund shall transfer from the Clean Energy Development Fund to the General Fund the amount of the tax expenditure resulting from the sales tax exemption under 32 V.S.A. § 9741(52) on advanced wood boilers up to a maximum of \$200,000.00 for both fiscal years combined. The Department of Taxes shall deposit 64 percent 100 percent of the monies transferred from the Clean Energy Development Fund into the General Fund under 32 V.S.A. § 435 and 36 percent of the monies in the Education Fund under 16 V.S.A. § 4025. [REPEALED]~~

Natural Resources
Ways

EXPLANATION: Pursuant to the Act 72 Legislative Intent Letter, this technical change addresses a contradiction in amended language included in both Acts 6 and 83 of the 2019 session.

Sec. XX 2018 Acts and Resolves No. 191, Sec. 15 is amended to read:

(a) Executive Branch. The two-year agreements between the State of Vermont and the Vermont State Employees' Association for the Defender General, nonmanagement, supervisory, and corrections bargaining units for the period of July 1, 2018 through June 30, 2020; the collective bargaining agreement with the Vermont Troopers' Association for the period of July 1, 2018 through June 30, 2020; and salary increases for employees in the Executive Branch not covered by the bargaining agreements shall be funded as follows:

(2) Fiscal Year 2020.

(B) Transportation Fund. The amount of ~~\$2,368,000.00~~ \$2,044,597.00 is appropriated from the Transportation Fund to the Secretary of Administration for distribution to the Agency of Transportation and the Department of Public Safety to fund the fiscal year 2020 collective bargaining agreements and the requirements of this act.

EXPLANATION: This reduced appropriation for Pay Act is a component of the AoT's rescission plan for fiscal year 2020.

Sec. XX 3 V.S.A. §§ 3004 and 3023 are amended to read:

§ 3004. Personnel designation

The Secretary, ~~D~~deputy ~~S~~secretaryies, commissioners, deputy commissioners, attorneys, Directors of the Offices of State Economic Opportunity, of Alcohol and Drug Abuse Programs, and of Child Support, and all members of boards, committees, commissions, or councils attached to the Agency for support are exempt from the classified State service. Except as authorized by section 311 of this title or otherwise by law, all other positions shall be within the classified service.

*Transportation
Gov. Ops.*

*Human Serr.
Gov. Ops.
Health Care*

§ 3023. Deputy ~~S~~ecretary~~ies~~

(a) The Secretary, with the approval of the Governor, may appoint a deputy such number of deputy secretaries as he or she deems necessary to serve at his or her pleasure and to perform such duties as the Secretary may prescribe. The ~~D~~eputy~~ies~~ shall be exempt from the classified service. The appointments shall be in writing and shall be filed in the Office of the Secretary of State.

(b) The ~~D~~eputy ~~S~~ecretary~~ies~~ shall discharge the duties and responsibilities of the Secretary in the Secretary's absence. In case a vacancy occurs in the office of the Secretary, the ~~D~~eputy~~ies~~ shall assume and discharge the duties of office until the vacancy is filled.

EXPLANATION: These statutory changes will allow the Secretary of AHS to have additional Deputy Secretaries similar to the statutory language allowing the AoE to have multiple Deputy Secretaries.

Sec. XX. 18 V.S.A. § 9374 is amended to read:

(h)(1) The Board may assess and collect from each regulated entity the actual costs incurred by the Board, including staff time and contracts for professional services, in carrying out its regulatory duties for health insurance rate review under 8 V.S.A. § 4062; hospital budget review under chapter 221, subchapter 7 of this title; and accountable care organization certification and budget review under section 9382 of this title. The Board may also assess and collect from general hospitals licensed under chapter 43 of this title expenses incurred by the Commissioner of Health in administering hospital community reports under 18 V.S.A. § 9405b

EXPLANATION: 2013 Acts and Resolves No. 79 § 50(c) required the transfer of one position and its associated funding to the Department of Health for the purpose of administering the hospital community reports in 18 V.S.A. § 9405b and to collect funds for the publication of these reports under its billback authority. In 2015, the Legislature repealed the statute giving the Department billback authority, 18 V.S.A. § 9415 for the hospital community reports (2015 Acts and Resolves No. 54, § 61). The result is that the cost of the hospital community reports position at the Department of Health has been borne by the GMCB's billback fund without the GMCB having authority to billback for that expense.

Sec. XX 32 VSA Sec. 308b is amended to read:

(c) The Human Services Caseload Reserve shall contain two sub-accounts:

see previous page

Health Care

(1) A sub-account for incurred but not reported Medicaid expenses. Each year beginning with fiscal year 2020, the Department of Finance and Management shall adjust the amount reserved for incurred but not reported Medicaid expenses to equal the amount specified in the ~~most recently completed~~ Comprehensive Annual Financial Report for the fiscal year occurring two years prior, for the estimated amount of incurred but not reported Medicaid expenses associated with the current Medicaid Global Commitment waiver.

EXPLANATION: Language is intended to clarify that the CAFR from fiscal year 2018 relative to fiscal year 2020 should be used, and then from two years prior every year thereafter. This change comports with the original intent of the statutory calculation.

Sec. XX EFFECTIVE DATES

(a) Notwithstanding 1 V.S.A. § 214 or any other act or provision, this section and all remaining sections shall take effect upon passage.