

Draft 4/22/20 – Awaiting Adoption by Joint Fiscal Committee

Acceptance of the CRF Grant to Vermont

The State of Vermont received the \$1.25 billion Coronavirus Relief Fund federal grant. The Governor will submit an AAI form asking for grant acceptance to the Joint Fiscal Committee (JFC). The use of the funds needs to be done in a manner that balances both

- the importance of meeting the immediate needs of Vermonters and the ability to provide a rapid response through the grant acceptance process, and
- the legislative role, from Chapter II Section 27 of the Vermont Constitution: “No money shall be drawn out of the Treasury, unless first appropriated by act of legislation.”

This proposal conditions the grant’s acceptance with three levels/allocations for expenditures:

1. The Administration would be authorized to spend up to \$60 million for health and safety and other emergency response needs, including the following:

- a. Reimbursement for expenditures that have already taken place using other sources of funds and bills that may still be outstanding for the actions taken to date.
- b. Ensuring that the State preserves its flexible funds while using more restricted funds where possible.
- c. Meeting new or currently unforeseen immediate needs that arise through the State systems where time is a critical factor.
- d. The total amount allocated under this subsection can be increased by JFC or the Legislature as the pandemic and response unfold to the extent that the need changes.

Oversight Process: JFC would be informed through regular reporting of the use and expenditures of these funds. The Joint Fiscal Office would develop reporting protocols and a web-based list of uses for the Committee, the Legislature, and the public.

2. Subject to review and pre-approval of JFC, the Administration would be authorized to spend up to an additional \$150 million for time-sensitive critical needs that cannot wait for the appropriations process.

- a. These funds cannot be spent without JFC approval. They would be used for expenditures furthering the goal of an active emergency response to the needs of the unfolding pandemic. The funds are a reserve for unknowns. The use of funds would be where health and safety, critical timing, and the emergency nature of the needs are issues.
- b. The funds can also be authorized to reimburse for state or other funds that have already been expended for COVID-19 response, consistent with the goal to apply the most appropriate allowed federal resource to all COVID-19 response expenditures.

- c. The Administration would submit a request to JFC, and JFC would be charged to meet within one week to ensure that specific spending needs are addressed in a timely way.
- d. Where the JFC chooses not to act or determines the proposal should be held, the proposal could be presented for legislative action.

Coordination Process: Consistent with the current grant process, the Joint Fiscal Office will send materials out to JFC members and chairs of the House and Senate Committees of jurisdiction for informational purposes prior to any JFC action. JFC may adopt and implement an even more expedited process, if necessary, for specific expenditures. These allocations will be added to a web-based list of uses available to the Committee, the Legislature, and the public.

3. The remaining funds would be subject to appropriation by the Legislature

- a. These appropriations will be in budget bills or program/subject-specific legislation during the current legislative session or in an anticipated legislative session this summer and fall.