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**STATE OF VERMONT**  
HOUSE OF REPRESENTATIVES  
COMMITTEE ON GOVERNMENT OPERATIONS

**MEMORANDUM**

To: Rep. Catherine Toll, Chair, House Committee on Appropriations  
From: Rep. Sarah Copeland Hanzas, Chair, House Committee on Government  
Operations  
Rep. John Gannon, Vice Chair, House Committee on Government  
Operations  
Date: January 15, 2020  
Subject: Budget Adjustment Act responses

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The House Committee on Government Operations reviewed all provisions within the FY20 Governor's Budget Adjustment Act proposal that were highlighted as being within our committee's jurisdiction. As a result of testimony to our committee, this memo provides our committee's responses regarding the following provisions with which we either have concerns or want to provide supplemental information:

1.) **General Fund transfers to the Workers' Compensation Fund, State Liability Fund, and other Risk Management funds.** Our committee approves of these proposed transfers. It is our committee's understanding that these transfers are necessary in order to address deficits in these funds that were caused by undercharging premiums and not accounting for expenses necessary to administer these funds. However, it is also our understanding that the Administration has recognized these issues and has taken steps to address them, including by monitoring these funds on a monthly basis.

Our committee encourages the Administration to continue to monitor these funds on a monthly basis and to perform any other necessary actions that will maintain the necessary balances in these funds.

2.) **Contribution to 27/53 Reserve.** Our committee approves of the proposed contribution to the 27/53 Reserve, as it is our committee's understanding that it is for the purpose of pre-paying what will be necessary to cover an upcoming 27<sup>th</sup> payroll and 53<sup>rd</sup> week of Medicaid payments.

3.) **Appropriation to Secretary of State for 2020 General Election expenses.** Similarly, our committee approves of this proposed appropriation to the Secretary of

State, as it is our committee's understanding that it is for the purpose of pre-paying what will be necessary 2020 General Election expenses.

4.) **Prior Pay Act amendment re: Transportation Fund.** Our committee supports the reduced amount to be appropriated from the Transportation Fund to cover the prior Pay Act's funding applicable to the Agency of Transportation and the Department of Public Safety.

5.) **Appropriation to Secretary of Administration to fund FY20 Retirement System contribution rates.** Our committee supports the \$370,000 that would be appropriated for departments to fund the change in the State Retirement System employer contribution rate. We took testimony from the Commissioner of Finance and Management and from the Court Administrator regarding their conflicting proposed amounts that should be appropriated to the Judicial Branch for this purpose. The Commissioner provided [this document](#) to explain the Administration's methodology to calculate the funds necessary to cover these changes in contribution rates. It is our understanding from this explanation that the Judiciary may ultimately have a positive balance in their retirement account. We therefore support the Administration's proposed appropriation for this purpose.

6.) **Agency of Human Services; additional deputy secretaries.** We took testimony from the Secretary of Human Services. We approve of his proposal to have two deputy secretaries to cover the two general areas of human services and health care.

Our committee is operating under the assumption that there will be no budget impact this fiscal year. However, we do not know what the impact of an additional deputy secretary would be in the next fiscal year.

One further note, though, is that the Administration's proposed statutory amendments are to allow the Secretary to appoint such number of deputy secretaries as the Secretary deems necessary, as is currently provided for the Secretary of Education in [16 V.S.A. § 213](#). We support, instead, statutory language that would limit the Secretary of Human Services to two deputy secretaries, consistent with the Secretary's testimony.

7.) **Overtime pay for Vermont State Police.** We confirm that we support the overtime pay proposed for Vermont State Police.

8.) **Auditor of Accounts position.** Although not part of your memo to our committee, we did take testimony from the Auditor of Accounts on his request for another auditor position in his office, and we support that request. It is our understanding that the funding necessary for this position will be provided through TIF municipal bill-backs and reductions in IT costs.

Thank you for this opportunity to comment. Please contact us if you would like additional information.