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STATE OF VERMONT
GENERAL ASSEMBLY
HOUSE COMMITTEE ON ENERGY AND
TECHNOLOGY

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To: Rep. Kitty Toll, Chair, House Committee on Appropriations

From: Rep. Tim Briglin, Chair, House Committee on Energy & Technology

A handwritten signature in blue ink, appearing to be 'TB', written over the 'From:' line.

Date: January 15, 2020

RE: FY2020 Budget Adjustment Act recommendations

The Committee on Energy & Technology (Committee) appreciates the invitation from the Committee on Appropriations to comment on the following two provisions in the FY2020 Budget Adjustment Act (BAA):

(1) Capitalization of IT Revolving Loan Fund

The Administration has requested \$945,000 in the BAA to capitalize a revolving loan fund to be administered by the Agency of Digital Services (ADS) to support government IT projects. The Committee recognizes the utility of a revolving loan fund as a tool to spread the costs of IT projects across budget cycles. Such a fund can help smooth the budgetary volatility of paying for larger IT projects over time, instead of appropriating all of those project costs in one budget year.

The Committee expressed concern that an IT revolving loan fund could be used by ADS to address IT project cost overruns or mismanaged IT project implementation at a government agency. In such a circumstance, an agency would likely be looking to a future budget or budget adjustment appropriation in order to repay drawings from the IT revolving loan fund.

The Committee did not have a view on the size appropriation suitable for the initial capitalization for this fund and defers to the Appropriations Committee on this amount.

(2) Judiciary budget overruns for ADS billings

The VT Judiciary has submitted a BAA request for \$866,657 due to costs of services beyond the budgeted amount for their Service Level Agreement (SLA) with ADS. Of

this amount, \$241,575 is for an FY2019 budget deficit; \$625,082 is for an FY2020 budget deficit. For both FY2019 and FY2020, the Judiciary had budgeted \$391,518 for its SLA with ADS.

The Committee took testimony from ADS regarding this BAA request. We did not take testimony from the VT Judiciary. The increases in ADS billings to the Judiciary relative to budget were primarily due to significant increases in the number of Judiciary servers and computer users, and the volume of storage supported by ADS.

While the Committee recommends that this BAA request be accommodated, we are concerned by Judiciary's cost overruns across two budget years. We further recommend that as the House Appropriations Committee considers the FY2021 budget, specific attention be given to the amount requested for the Judiciary's SLA with ADS. Better coordination of these costs with ADS increases the probability that the Judiciary will stay within its SLA budget in the coming year.