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**STATE OF VERMONT**  
House Committee

**House Committee on Ways and Means**

**MEMORANDUM**

To: Representative Kitty Toll, Chair, House Committee on Appropriations  
From: Representative Janet Ancel, Chair, House Committee on Ways and Means  
Date: March 1, 2019  
Subject: Provisions in the Governor's Proposed FY 2020 State Budget

Our Committee has been working on several issues raised in the Governor's proposed FY20 budget. I'm writing to share our current thinking with your committee on those issues.

The Governor's proposed budget moves dual enrollment entirely to the Education Fund. That program is currently split 50/50 between the Education and General Funds.

After some discussion, we are recommending that we maintain the 50/50 split. Students enrolled in the program are awarded high school AND college credits so it is appropriately funded with an equal split between the funds.

The proposed budget also moves money from the Property Tax Supplemental Fund to the Education Fund, along with ongoing responsibility for funding the Education Data System. We agree with this change and understand that there will be one-time funds moving to the Education Fund and ongoing responsibility for maintaining the system.

Another proposal that we considered is the allocation of the Tax Computer Modernization Fund. The Governor has recommended that we move from a 80/20 split to a 40/60 split. We agree with that change and suggest we consider a further reduction to 35/65.

We have spent a considerable amount of time on funding for the Public Utility Commission and the Public Service Department, after receiving a recommendation from the Energy and Technology Committee. We have settled on a proposal that will bring the FY20 operating budgets into line with revenues but that does not address the current deficit in the PSD or the use of PUC reserves. The funding proposal will be included in our annual fee bill.

With respect to funding for the Green Mountain Care Board, we have heard from the board, the administration and from affected providers. At this point, we are unable to make a recommendation. There is considerable reluctance on the part of committee members to reducing the state's share and increasing the billback to hospitals and providers.

The Governor also proposed using a portion of the sales tax (resulting from the Wayfair decision) to fund child care. We are opposed to funding child care from the sales tax. We are objecting to the source of funds and our position is not intended as a comment on whether or not funding for child care should be increased.

Finally, the Governor proposed restructuring the estate tax and diverting it to the Clean Water Fund. We believe these are separate issues and we have been considering the restructuring proposal. We are also continuing to work on a source of revenue for the Clean Water Fund. Neither of these issues has been resolved.