

HIGHLIGHTS OF HOUSE PROPOSED

FISCAL YEAR 2021 FIRST PHASE/TRANSITIONAL BUDGET (H.961)

This First Phase/Transitional Budget bill provides spending authority to operate State Government in the first quarter of fiscal year 2021, meeting statutory requirements while at the same time recognizing the need to address the projected substantial reduction in State revenues in fiscal year 2021 and beyond. This bill relies on language directing the use of funds, rather than having sections that include specific appropriations for each department and agency of State government. The full fiscal year 2021 budget will be developed in August and September of 2020, after the establishment of new official State revenue forecasts for fiscal year 2021 and 2022.

- The bill contains language specifying that the appropriations contained in this bill do not represent any negation or change to established or statutorily mandated programmatic policies.
- This bill creates fiscal capacity through the following mechanisms:
 - A nonessential position hiring freeze from July 1 – September 30, 2020
 - Identification of carry forward funds from FY 2020 into FY 2021
 - Available fund balances: Fund balances at the close of fiscal year 2020 and fund capacity projected to be available in fiscal year 2021 as result of collection of deferred receipts from fiscal year 2020.
 - Identification of available federal funds that can support programs.
- The bill includes appropriations to ensure that State Government operates at a level sufficient to meet the needs of specific program recipients, including VSAC, the Vermont State Colleges, VHCB, Debt Service, retirement fund obligations, the Vermont Veterans' Home, the Military, and the State Treasurer Unclaimed Property Private Purpose Trust Fund.
- Reserves \$5,000,000 General Funds to provide bridge funds for the VSC in FY 2021.
- Specific percentages are included to prorate appropriations using Act 88 of 2020, the Budget Adjustment, as a base:
 - All of the Agency of Natural Resources except the General Fund: 50%
 - All of the Agency of Transportation: 60%, with the exception of the Clean Water funds that are prorated at 50%
 - The General Fund: 25%
 - Payment in Lieu of Taxes (PILOT): 100%
 - The Education Fund: 100%
 - All other remaining appropriations by fund: 25%
- Emergency Board: In order to address any unforeseen spending requirements related to the COVID-19 pandemic between July 1 and September 30, 2020, the Emergency Board is authorized to make expenditures from any State fund or from any reserve up to 1% of funds appropriated in this bill.

- Includes rescission authority limitation during the First Phase budget period.
- Extends sunset of the Position Pilot from July 1, 2020 to September 30, 2020.
- Includes detailed stipulations regarding the appropriation and use of Coronavirus Relief Funds (CRF), including compliance, the changing context, statutory authority and regulations, and the reversion of any unspent funds by December 20, 2020.
- **Includes \$47.3 Million CRF Spending to Mitigate Adverse Effects of the COVID-19 Pandemic as Follows:**
 - Legislature: \$2 million for cost of session through September 30, 2020.
 - VT State Colleges (VSC): \$15,258,000 for distance learning, equipment and supplies, facility alterations, staff or contractual costs related to response and financial assistance and other assistance for students coping with pandemic.
 - University of Vermont (UVM): \$15,355,000 for COVID-19 related expenses from July through December, 2020.
 - Vermont Student Assistance Corp (VSAC): \$5,000,000 to address increased demand.
 - State's Attorney: \$1,977,000 for costs associated with COVID-19.
 - Defender General: \$753,000 for costs associated with COVID-19.
 - VT Center for Crime Victims Services: \$502,500
 - Judiciary: \$2,608,500
 - To AHS for Legal Aid: \$150,000 related to justice services response
 - Office of the State Auditor: \$100,000 for audit responsibilities.
 - Secretary of State: \$2,000,000 for VT Business Portal.
 - DAIL, to the Vermont Association for the Blind and Visually Impaired: \$100,000 for technology training programs for older Vermonters.
 - Agency of Agriculture, Food and Markets: \$1,000,000 for eligible Working Lands COVID-19 pandemic response proposals.
 - Department of Forest, Parks and Recreation: \$500,000 to refund cancellations of park reservations.
- Recognizes the FY 2021 negotiated Pay Act agreement for the three branches of State government.