



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: Joint Legislative Management Committee
From: Daniel Dickerson, Joint Fiscal Office
Cc: Legislative Branch Department Heads
Date: August 12, 2020
Subject: FY21 Revised Legislative Branch Budgets

2 V.S.A. §42(a)(1), as established in Act 144, 2020, states that the Joint Legislative Management Committee shall:

“prepare a proposed budget for the Legislative Branch that includes a budget for each legislative office.”

The FY 2021 budget was prepared last year, but, given the pandemic and its impact on revenues, the Administration asked the Legislature and all executive departments to reduce their FY 2021 request by 5% (subsequently changed to 3%). This memo, and the attached budget numbers, outlines a revised legislative branch budget for FY21 that the Joint Fiscal Office, in consultation with other offices, has prepared. The revisions were made to reduce branch-wide budget growth by 3% from what was included in the Governor’s FY21 budget request.

FY 20 Legislative Branch Budget	<u>\$16,196,942</u>	
FY 21 Original legislative branch budget	\$16,849,410	
FY 21 *Revised* legislative branch budget	<u>\$16,344,030</u>	
Difference between original and revised	(\$505,380)	-3.0%
Final Percent change (FY20 to FY21)		+0.9%

Overall, a combination of expense reductions and carryforward money was used to achieve the 3% growth reduction. Reversions will be used to offset some of the new General Fund need in FY21.

Expense reductions: Expense reductions were difficult for most offices because costs are driven largely by staff salaries and benefits. Reductions to internal service fund expenditures (fee-for-space, VISION, etc.) and non-essential travel were applied across all budgets. Additional office-specific reductions are noted below:

1. **Legislature:** Reduced from \$8,163,482 to \$7,933,578 (\$229,904) -2.8%
 - There will be fewer interim legislative meetings due to the special session

- We expect reduced commuting costs for legislators due to the ongoing pandemic.
 - Deferment of some staff hiring until at least October 1, 2020
2. **Legislative Counsel/Operations** from \$4,040,210 to \$3,945,044 (\$95,166) -2.4%
 - Only one law clerk hired for 2021 session so far, which will result in savings if this is all that is needed.
 - There will likely be little to no money spent on travel/training in FY21, which would result in savings.
 3. **Leg. Information Technology** from \$1,463,731 to \$1,419,819 (\$43,912) -3.0%
 - Reduction of expenditures.
 4. **Sergeant at Arms** from \$1,023,461 to \$951,819 (\$71,642) -7.0%
 - The Sgt. At Arms will no longer request a new police position in FY21, but did increase budgeted amounts for overtime and sheriffs
 5. **Joint Fiscal Office**, from \$2,158,526 to \$2,093,770 (\$64,756) -3.0%
 - Deferment of new transportation analyst hire until at least October 1, 2020
 - Small decreases in professional services and operating expenses

Reversions: The Governor’s budget request from January proposed a \$250,000 reversion of prior-year carry-forward money from the Legislature. The revised budgets include:

- An additional \$100,000 reversion from the Legislature
- A \$25,000 reversion from the Joint Fiscal Office
- The total reversion from the legislative branch will now be \$375,000

Carryforward: Most offices in the branch are carrying substantial carryforward balances from prior years. Some of this carryforward will give offices flexibility to operate with a reduced FY21 appropriation without running a deficit at the end of the year. Offices will also receive reimbursements from the Coronavirus Relief Fund for eligible FY20 expenditures, which will boost carryforward balances.

Even after accounting for reversions and other anticipated uses of one-time funds, the branch wide carryforward balance will likely be significant at the end of FY21. Given the uncertainty of the pandemic and the potential for General Fund revenue challenges in the next few years, we hope to reserve carryforward dollars for future discussions regarding the FY22 budget, potential legislative branch space needs, and other pressures that may develop due to the ongoing COVID-19 pandemic.

Proposed motion:

“Move that the Joint Legislative Management Committee authorize the FY21 legislative branch budget numbers, as adjusted, as presented on August 13, 2020.”

Revised Legislative Branch FY21 Budget

Joint Fiscal Office

10-Aug-20

	Original Gov. FY21 request			New FY21 request (full-year)						
	A	B	C	D	E	F	G	H	I	J
	FY20 Appropriation	FY21 Appropriation request (Gov. proposal)	Base-to-Base \$ Increase (B - A)	Base-to-Base % Increase	Revised FY21 Appropriation request	% change from previous request	Base-to-Base \$ Increase (E - A)	Base to Base % increase	FY21 Reversion	Total FY21 new GF need (E + I)
Legislative Branch	\$ 16,196,942	\$ 16,849,410	\$ 652,468	4.0%	16,344,030	-3.00%	\$ 147,088	0.9%	(375,000)	15,969,030
Legislature	8,119,372	8,163,482	44,110	0.5%	7,933,578	-2.82%	\$ (185,794)	-2.3%	(350,000)	7,583,578
Legislative Council	3,772,167	4,040,210	268,043	7.1%	3,187,533	-2.36%	\$ 172,877	4.6%	-	3,187,533
Legislative Ops					757,511					757,511
Legislative IT	1,412,146	1,463,731	51,585	3.7%	1,419,819	-3.00%	\$ 7,673	0.5%	-	1,419,819
Sergeant at Arms	870,204	1,023,461	153,257	17.6%	951,819	-7.00%	\$ 81,615	9.4%	-	951,819
Joint Fiscal Office	2,023,053	2,158,526	135,473	6.7%	2,093,770	-3.00%	\$ 70,717	3.5%	(25,000)	2,068,770