

**HIGHLIGHTS OF H.953 - THE FY 2020 SUPPLEMENTAL BUDGET
ADJUSTMENT BILL AS PROPOSED BY THE HOUSE APPROPRIATIONS
COMMITTEE**

Summary: The House proposed FY 2020 Supplemental Budget Adjustment bill addresses three issues that have resulted due to the COVID-19 epidemic:

- **First;** makes reductions/changes to FY 2020 appropriations in order to address the estimated \$52 million in revenue erosion and other general fund loss.
- **Second;** adds authority to use interfund borrowing from the Coronavirus Relief Fund, or if necessary, the use of reserves to cover the estimated \$143 million in FY 2020 revenue moving to FY 2021. Repayment would occur when payments are made in FY 2021. Any extra funds will be available for FY 2021 expenses.
- **Third;** appropriates Coronavirus Relief Funds (CRF) for expenses incurred in FY 2020.

To close the FY 2020 year in balance:

- In order to balance the \$51.7 million in lost General Fund revenue (\$48.1 lost in forecast change and \$3.6M reduction of Property Transfer Taxes going to the General Fund), and begin to address the \$143 million in deferred revenue, the BAA uses the following:

Attorney General additional settlement proceeds	\$ 2.0M
DFR – Additional proceeds from funds	\$ 3.0M
AHS Federal Enhanced FMAP	\$ 38.0M
AHS Reduced Medicaid Claims	\$ 8.7M
Vermont Life Magazine	\$.375M
Tax – Renter Rebate Program Savings	\$ 1.4M
Treasurer – One Time Bond Investment Earnings	\$ 2.7M
Treasurer – Unclaimed Property	\$.6M
Liquor control – Additional Direct Application	\$ 4.63M
Secretary of State – Fund Surplus	\$.4M
Boys and Girls State	\$.01M
USS Vermont	\$.035M
TOTAL ADJUSTMENTS	\$61.88M

- Adds authority to use interfund borrowing from the CRF or the use of reserves to balance the remaining lost revenue with repayment when the revenue is collected in FY 2021. Any extra funds will be available for FY 2021 expenses.

Appropriates Coronavirus Relief Funds (CRF) to meet COVID – 19 FY 2020 needs:

Appropriations made for the General Assembly, the Judiciary, the Vermont State Colleges (VSC), the University of Vermont (UVM), and the Vermont Student Assistance Corporation (VSAC). Provides authority to cover pension impacts of pay changes.

1. \$500,000 for legislative staff expenses related to COVID-19 in FY 20.
 2. \$750,000 for expenses of the legislature beyond the 18-week planned session through June 19th;
 3. \$4,910,500 for Judiciary and authorization for limited service positions to enable Judiciary to resume operations including equipment for remote operations, and other expenses;
 4. \$5,117,792 to Vermont State Colleges to address the cost of refunds to students for room and board services unable to be provided due to COVID-19 campus closure;
 5. \$5,016,300 to the University of Vermont to cover the cost of refunds to students for rooms and parking services unable to be provided due to COVID-19 campus closures;
 6. \$5,100,000 to the Vermont Student Assistance Corporation for increased grants reflecting COVID-19 economic impacts on eligibility.
- Provides authority for the Treasurer to identify the impact of additional pay, hazard pay and COVID -19 related personnel costs on retirement liabilities and transfer funds to offset these retirement system pressures on the fund.

Summary of Available Reserves:

Human Services Caseload Reserve	\$98,236,983
General Fund Budget Stabilization Reserve	\$81,472,791
General Fund Balance Reserve (Rainy Day)	\$31,553,274