

H.138 - FY 2021 Adjustment Bill

Highlights of House Appropriations Committee Proposal

Overview: Mid-year adjustment to keep current year (FY 2021) budget in balance and continuation of Pandemic Response.

This proposal for the FY 2021 Budget Adjustment bill addresses several issues that have resulted from the COVID-19 epidemic and is supported with Coronavirus Relief Funds (CRF), FEMA funds, federal funds, and carry forward funds. It also funds initiatives approved in FY 2021. What follows is a list of budget highlights.

Agency of Human Services

- Appropriates CRF funds to match federal FEMA funds for emergency food, hotel leases for the homeless, security, and general COVID-19 response.
- Supports the cost of electronic filing fees at VT Legal Aid with CRF, provides the VT Veteran's Home with \$643,000 CRF for COVID-19-related costs.
- Funds increased caseloads in Medicaid, sub-adoption caseload, the high-acuity mental health caseload in Department of Children and Families (DCF), and the burials caseload in General Assistance (GA).
- Identified caseload savings in Reach Up and Child Care Subsidy programs in DCF.
- Funds renovation costs for secure facility for youths in DCF custody.
- Funds AFSCME collective bargaining agreement in Department of Aging and Independent Living (DAIL).
- Carries forward general fund savings from the 6.2% increased Federal Medicaid Assistance Percentages (FMAP) bump for second half of the year to address FY 2022 pressures.
- Corrects disallowed indirect cost allocation from CRF to general funds.

Agency of Education

- Partially funds Burlington High School relocation costs with Federal Elementary and Secondary School Emergency Relief (ESSER2) funds that were part of the CARES Act.

Higher Education

- Addresses needs resulting from COVID-19 at the Vermont State Colleges by appropriating \$3.6 million general funds.

Agency of Natural Resources

- Forest, Parks and Recreation: Transfers \$1.2 million general funds to the Parks Revolving Fund to approximate the amount of refunds for pre-paid reservations that required cancellation due to COVID-19.
- Provides \$1 million general funds to support required technical assistance to implement the Global Warming Solutions Act of 2020.

Agency of Commerce and Community Development:

- Continues to fund the Everyone Eats program with CRF and FEMA funds through June 2021.
- Provides additional resources for assistance with rental arrearage, supporting applications received during the month of December 2020.
- Provides funds for rental assistance to Vermonters in need from the \$200 million that the State will receive from the new Federal emergency rental assistance funds that were part of the COVID-19 relief bill passed by Congress in December of 2020.

Agency of Transportation

- Increases federal funds for paving and leveling projects.
- Identifies savings in the rail program due to the suspension of Amtrak service.
- Provides CRF funds in the Department of Motor Vehicles (DMV) for COVID-19 related costs.
- Removes the ending date for implementation of the State's vehicle incentive programs associated with the MileageSmart and emissions repair voucher programs.

Broadband

- Authorizes continued funding for any broadband projects contracted for prior to December 20, 2020 and not completed on or before December 30, 2020.
- Provides two additional months of temporary broadband subsidies to Vermonters.

Fund Change Summary Compared to September 2020

General Fund down \$4 million
Transportation and TIB funds down \$3.4 million
Special funds up \$1.5 million
Federal funds up \$16 million (enhanced FMAP extension thru March)
CRF up \$8 million

Summary of Available Reserves:

General Fund Budget Stabilization Reserve	\$80 million
General Fund Balance Reserve (Rainy Day)	\$32 million
Human Services Caseload Reserve	\$93 million
53 rd /27 th Week Reserve (for use in FY 2022)	\$20 million
Transportation Fund Reserve	\$14 million
Education Fund Reserve	<u>\$38 million</u>
Total Reserves	\$277 million