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Adam Greshin, Commissioner

TO: Representative Mary Hooper, Chair, House Appropriations Committee
FROM: Adam Greshin, Commissioner, Department of Finance and Management
DATE: Wednesday, May 5, 2021
RE: Technical Edits to H.439

I write to suggest the following clarifications and technical edits to H.439, *An act relating to making appropriations for the support of government*. These edits refer to **Senate proposal of amendment – H.439**, as published on the Joint Fiscal Office and General Assembly websites.

Sec. A.108(b) Legend

The fund name as used by federal legislation, by Act 9 of 2021 As Passed, and mirrored by the State accounting system should be reflected as follows: “the G sections contain provisions to the American Rescue Plan Act - Coronavirus State Fiscal Relief Recovery Fund expenditures and other related funding.”

Secs. B.330, 333, 334

Based on the Senate Appropriations Committee’s intent for providers to receive a 3% rate increase, the following appropriation adjustments should occur:

B.330 Disabilities, aging, and independent living – advocacy and independent living grants

Global Commitment increase in the amount of \$57,000

B.333 Disabilities, aging and independent living – DS Grants

Global Commitment reduction in the amount of \$16,787

B.334 Disabilities, aging, and independent living – Brain injury home and community-based waiver

Global Commitment reduction in the amount of \$50,361

Sec. B.337 DOC – Community High School of Vermont

The Agency of Education does not believe the \$3,336,352 appropriation to fund Community High School of VT in FY2022 will be an allowable use of ESSER funding. This situation creates the potential for CHSVT to be left without a funding source.



Sec. B.501 Education – education services

The following figures should be reduced by \$13,648 to correctly reflect the \$3,336,352 amount of the transfer to DOC to fund Community High School of VT in FY2022:

Personal services	14,739,327	
Operating expenses	1,073,385	
Grants	<u>178,769,897</u>	<u>178,756,249</u>
Total	<u>194,582,609</u>	<u>194,568,961</u>
Source of funds		
General fund	4,580,935	
Special funds	2,863,170	
Tobacco fund	750,388	
Federal funds	<u>186,388,116</u>	<u>186,274,468</u>
Total	<u>194,582,609</u>	<u>194,568,961</u>

Secs. B.1000, B.1001 Debt Service

Based on the recent completion of the FY2021 General Obligation Bond debt service issuance, the following changes should be made to reflect the updated FY2022 debt service funding needs:

Sec. B.1000 Debt service

Operating expenses	<u>84,541,007</u>	75,981,338
Total	<u>84,541,007</u>	75,981,338
Source of funds		
General fund	81,032,078	72,953,869
Transportation fund	521,606	521,606
ARRA funds	481,460	--
TIB debt service fund	<u>2,505,863</u>	<u>2,505,863</u>
Total	<u>84,541,007</u>	75,981,338

Sec. B.1001 Total debt service

Source of funds		
General fund	81,032,078	72,953,869
Transportation fund	521,606	521,606



ARRA funds	481,460	--
TIB debt service fund	<u>2,505,863</u>	<u>2,505,863</u>
Total	84,541,007	75,981,338

Sec. B.1104(a)(1)(A) Fiscal Year 2022 One-Time Transportation Fund Appropriations

If the intent is to make any part of the appropriation in (a)(1)(A) available for FY21, then it should be a FY21 appropriation, removed from this section and inserted in the “C” section. “C” section language could read as follows:

\$6,925,000 in transportation funds is appropriated to the Agency of Transportation for vehicle incentive and emission repair programs and electric vehicle supply equipment grants in fiscal years 2021 and 2022 combined.

If prior appropriations for the Incentive Program for New PEV’s and MileageSmart are fully depleted prior to July 1, 2021, then the Agency may use a portion of the \$6,925,000 for this purpose in fiscal year 2021.

See notes below on (a)(2), and in the effective date section at the end of the bill.

Sec. B.1104(a)(2) Fiscal Year 2022 One-Time Transportation Fund Appropriations

As above, if the intent is to make any part of the appropriation in (a)(2) available for FY21, then it should be a FY21 appropriation, removed from this section and inserted in the “C” section.

Sec. B.1106(a)(2) Fiscal Year 2022 One-Time General Fund Appropriations

The language should be edited as follows to clarify the recipient of the appropriation:

(2) \$1,000,000 ~~for the purchase of body cameras in~~ to the Department of Corrections ~~for the purchase of body cameras.~~

Sec. C.103(a) Reversion from The National Guard Tuition Benefit Program

This section specifies a reversion of \$400,000; however, this amount is not currently available for reversion in FY2021. There is a \$205,570.01 available balance as of 4/28/2021. See comment below re: Sec. C.104.

Sec. C.104(a)

This section as drafted amends 2020 Acts and Resolves No. 154, Sec. E.215 to read “The amount of \$553,906 shall be disbursed to the Vermont Student Assistance Corporation for the National Guard educational assistance program . . . ” However, \$1,026,105 has already been paid out based on Act 120 of 2020. The overpayment will need to be collected from VSAC prior to June 30, and the funds deposited and made available in VISION prior to June 30.



Sec. C.105 Adjusted Ed. Payment

This section should be updated as follows, to reflect the revised estimate of Coronavirus Relief Funds distributed to school districts that can be used to offset regular Education Fund payments:

2020 Acts and Resolves No. 154, Sec. B.505 is amended to read:

	<u>FY2021</u>	
<u>Sec. B.505 Education - adjusted education payment</u>	<u>As Passed</u>	<u>Change</u>
<u>Grants</u>	<u>1,489,500,000</u>	<u>1,481,600,000</u>
<u>Total</u>	<u>1,489,500,000</u>	<u>1,481,600,000</u>
<u>Source of funds</u>		-
<u>Education fund</u>	<u>1,489,500,000</u>	<u>1,481,600,000</u>
<u>Total</u>	<u>1,489,500,000</u>	<u>1,481,600,000</u>

Sec. E.300.2(a) AHS Delivery System Reform, Health Information Technology

The \$3.9M referenced in this section is not all Global Commitment funds, as some of the spending reflects HIT investments which leverage higher federal match rate. The following amounts should be carried forward:

Gross GC B.306 \$2,895,382

GF Match B.301 \$1,588,840

This section should be made effective upon passage, to carry forward funds appropriated in FY2021 to FY2022.

Sec. E.318.3(a) ARPA; Child Care Stabilization Grants

This section does not appropriate funds; rather, it allocates funds appropriated in Sec. B.318. As such, the text should be edited to reflect this:

(a) ~~In fiscal year 2022, the amount of~~ Of the \$14,700,000 is appropriated in Section B.318 to the Department for Children and Families Division of Child Development, from the Federal Funds available under the Child Care Stabilization Grants funding received by the State pursuant to the American Rescue Plan Act of 2021, Pub. L. No. 117-2, these funds shall be allocated as follows:

Sec. E.323 Reach Up – Fiscal Year 2022 One-time Use of Underutilized Funds

AHS/DCF requests the changes below to clarify the intent of this language:



To the extent that funds appropriated to the Reach Up program in fiscal year 2022 are not ~~encumbered and/or expended in SFY22~~~~utilized as a result of caseload estimates being less than anticipated,~~ funds shall carryforward and be used for a one-time payment to participating families in fiscal year 2023. The Department for Children and Families shall report to the Joint Fiscal Committee at their September 2022 meeting on the status of funds available and timing of one-time payments to participating families.

Sec. E.337 Community High School Of Vermont

The amount of the referenced appropriation should be adjusted as follows, to equal the amounts appropriated for this purpose in B.337 and B.501:

(a) It is the intent of the General Assembly that ~~\$3,350,000~~ \$3,336,352 of funds from the Elementary and Secondary School Emergency Relief Fund, pursuant to Section 313(e) of the Consolidated Appropriations Act, 2021, Pub. L. No. 116–260, and statewide education agency funds, appropriated to the Agency of Education in Sec. B. 501 of this act, shall fund the Community High School of Vermont for fiscal year 2022.

Sec. G.100(b) Investing the American Rescue Plan Act Appropriations for All Vermonters

As per comment regarding Sec. A.108(b), all instances of naming this fund should be reflected as “ARPA – Coronavirus State Fiscal Recovery Fund.”

Sec. G.500(1) Broadband Connectivity Investments

This appropriation needs to identify the recipient.

Sec. G.501(a)(3) State Technology Modernization Investments

The text should be edited as follows to accurately describe the program:

(3) \$500,000 to Natural Resource Board for ~~phase 2 of the Act 250 online application and database project – moving Act 250 services online.~~ Act 250 scanning project – digitize land use records.

Sec. G.700(a) Water and Sewer Investments

The total of \$115M appropriated from ARPA-SCFRF in FY2022 should be adjusted based on the comments below.

Sec. G.700(a)(7)

If this \$50,000,000 amount is to be carried forward, then it should not be included as an appropriation in the total in G.700(a). If it *is* intended to be an appropriation, then the language should be clear that it is appropriated in FY22 to be carried forward to FY23.



If the \$50,000,000 amount *is* intended to be an appropriation, subsections (A) and (B) need to clearly identify the recipients of the appropriations.

Sec. G.700(a)(8)

This does not appear to be an appropriation, and it should not be included in the \$115,000,000 total appropriation amount. If it *is* intended to be an appropriation, there needs to be specific language identifying the recipient of the appropriation.

Sec. G.701(a) Clean Water Three Year Revenue Allocation Change

This section describes a revenue change “In fiscal years 2022 through 2023.” Our understanding of legislative intent is that the change was intended for fiscal years 2022 through 2024.

Sec. H.100(a) Effective Dates

This section describes Secs. B.1104 (fiscal year 2022 one-time transportation fund appropriations) as taking effect upon passage. FY2022 appropriations should not be made effective in FY2021. If any of the appropriations in B.1104 need to be available in FY2021, they should be made as FY2021 appropriations and included in the “C” section of the bill.

Sec. E.300.2 should be made effective upon passage.

CC: Senator Jane Kitchel, Chair, Senate Appropriations
Steve Klein, JFO
Stephanie Barrett, JFO

