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*Adam Greshin, Commissioner*

To: Senator Jane Kitchel

CC: Stephanie Barrett, Joint Fiscal Office

From: Adam Greshin, Commissioner of Finance & Management

Date: March 31, 2022

**RE: Clarifications and Technical Edits to H.740 - *An act relating to making appropriations for the support of government***

I am writing to suggest the following clarifications and technical edits to H.740 - *An act relating to making appropriations for the support of government*.

**Sec. B.222 Agriculture, food and markets – administration:** The House added \$329,000 in grants for Farm to School and \$1,000,000 in grants for Working Lands, both funded by the General Fund. Because these programs are currently funded in Sec. B.224, the following edits reverse the funding increase to Sec. B.222 so they may be incorporated in Sec. B.224.

Personal services	1,979,598	
Operating expenses	537,899	
Grants	<u>1,556,972</u>	<u>227,972</u>
Total	4,074,469	<u>2,745,469</u>
Source of funds		
General fund	2,563,172	<u>1,234,172</u>
Special funds	988,397	
Federal funds	522,900	
Total	4,074,469	<u>2,745,469</u>

**Sec. B.224 Agriculture, food and markets - agricultural development:** Increase in Grants and General Fund amounts to correspond with edits to Sec. B.222 above.

Personal services	5,521,540	
Operating expenses	586,011	
Grants	<u>4,713,425</u>	<u>6,042,425</u>
Total	10,820,976	<u>12,149,976</u>
Source of funds		
General fund	<u>2,705,777</u>	<u>4,034,777</u>
Special funds	545,738	



Federal funds	<u>7,569,461</u>	
Total	<u>10,820,976</u>	<u>12,149,976</u>

**Sec. B.301 Secretary's office - global commitment:** The following updates are required due to the increase in spending authority in Sec. B.307 (see technical comment below for Sec. B.307). This appropriation provides the matching funds for Global Commitment appropriations.

Grants	<u>1,823,433,012</u>	<u>1,824,015,491</u>
Total	<u>1,823,433,012</u>	<u>1,824,015,491</u>
Source of funds		
General fund	603,073,573	<u>603,329,980</u>
Special funds	33,384,536	
Tobacco fund	21,049,373	
State health care resources fund	17,078,501	
Federal funds	<u>1,144,812,859</u>	<u>1,145,138,931</u>
Interdepartmental transfers	<u>4,034,170</u>	
Total	<u>1,823,433,012</u>	<u>1,824,015,491</u>

**Sec. B.307 Department of Vermont health access - Medicaid program - Global Commitment:** In order to reflect the updated Medicare conversion factor for Resource-based Relative Value Scale (RBRVS) on an annualized basis that was included in the SFY 2022 BAA, the following technical edits are required:

Personal services	547,983	
Grants	<u>835,754,746</u>	<u>836,337,225</u>
Total	<u>836,302,729</u>	<u>836,885,208</u>
Source of funds		
Global Commitment fund	<u>836,302,729</u>	<u>836,885,208</u>
Total	<u>836,302,729</u>	<u>836,885,208</u>

**Sec. B.317 Department for children and families – family services:** The following technical edits are required to decrease Grants by \$310,338 and increase Personal Services by the same amount. These edits correspond with the changes recommended for Sec. B.318.

Personal services	<u>41,144,915</u>	<u>41,455,253</u>
Operating expenses	5,392,584	
Grants	<u>88,924,656</u>	<u>88,614,318</u>
Total	<u>135,462,155</u>	

**Sec. B.318 Department for children and families – child development:** Technical edit between Personal Services and Grants of \$310,338 that corresponds with the edits to B.317 above.

Personal services	<u>5,797,573</u>	<u>5,487,235</u>
Operating expenses	860,622	
Grants	<u>104,394,962</u>	<u>104,705,300</u>
Total	<u>111,053,157</u>	



**Sec. B.711 Office of Water Programs** - The Office of Water Programs appropriation is overstated by \$2.5M in special fund grants, and should be reduced as follows:

Personal services	28,912,366	
Operating expenses	7,706,054	
Grants	<u>37,368,553</u>	<u>34,868,553</u>
Total	<u>73,986,973</u>	<u>71,486,973</u>
General fund	8,429,243	
Special funds	<u>28,783,274</u>	<u>26,283,274</u>
Federal funds	36,032,470	
Interdepartmental transfers	<u>741,986</u>	
Total	<u>73,986,973</u>	<u>71,486,973</u>

**Sec. B.1100(a)(12) – FISCAL YEAR ONE-TIME GENERAL FUND APPROPRIATIONS:**

The following changes are necessary to reflect accurately the divisions within VDH that would manage the respective appropriations:

- (12) \$1,152,500 to the Department of Health, ~~Office of Alcohol and Drug Abuse Programs~~ as follows:
  - (A) \$540,000 to the division of Alcohol and Drug Abuse Programs for Recovery Centers.
  - (B) \$612,500 to the division of Public Health for tobacco prevention activities.

**Sec. C.103 Amending 2021 Acts and Resolves No. 74, Sec G.300(a)(8)(C) as amended by 2022 Acts and Resolves No.83, Sec. 68** - The following edits are requested to capture a health care professional cohort not currently represented in the language:

(C) \$14,700,000 to provide free last dollar tuition for one year of undergraduate studies for critical occupation careers, including bookkeeping certificate, IT service desk specialist certificate, certified production technician, graphic design certificate, software and web development program, electrical and plumbing apprenticeships, dental hygiene, certificate in accounting, small business management, radiologic science, and respiratory therapy. \$540,000 of these funds shall be allocated for paramedic/EMS programs and any unexpended amount of this allocation shall be available for the broader purpose in this subdivision (C). Funds may be used for practical nursing, childcare, nursing, ~~and mental health counseling, and psychology and social work~~ programs only after available federal and State financial aid is applied to ensure no cost to the student. Of this amount, \$7,350,000 shall be carried forward for the 2022–2023 school year. If demand from undergraduates is met, then funds may be used to pay for tuition for the following graduate programs:

- (i) Master's in Education (all programs);
- (ii) Master's in Educational Leadership;
- (iii) Master's of Arts and Certificate of Advanced Graduate Studies in School Psychology;
- (iv) Master's in Counseling; and
- (v) Master's in Clinical Mental Health Counseling; and
- (vi) Master's in Clinical Social Work; ~~and~~
- (vii) Master's or Doctorate in Psychology



**Sec. D.101(b)(1)** - The correct fund number for AHS Central Office earned federal receipts is 22005.

**Sec. E.100 EXECUTIVE BRANCH POSITIONS** - The following edit is recommended to subsection (a)(1)(C) to reflect accurately the department name:

(C) Department of ~~Aging, Disabilities, Aging~~ and Independent Living's Administration and Support Division:

The insertion of a new subsection (a)(1)(H) is requested to authorize three new permanent classified positions to support the Office of Climate Action at the Agency of Natural Resources (positions are funded in the ANR budget as passed by the House):

(H) Agency of Natural Resources Central Office:

- (i) one Environmental Analyst VII
- (ii) two Environmental Analyst VI

The insertion of a new subsection (c)(3) is requested to authorize one new classified limited service position to support the Drinking Water & Groundwater Protection Division Safe Drinking Water Act compliance program:

(3) Department of Environmental Conservation:

- (i) one Environmental Analyst V

The following new subsection (e) is requested for insertion to authorize a position transfer that is accounted for in the Agency of Administration and Attorney General budgets as passed by the House:

(e) The transfer of the following exempt position is authorized in fiscal year 2023 as follows:

- (1) From the Agency of Administration to the Office of the Attorney General:
  - (A) Position 017020 – Staff Attorney III

**Sec. E.200 ATTORNEY GENERAL** - This section, which mirrors the E.200 language in the FY2021 and FY2022 appropriations bills, was unintentionally omitted from the Governor's Recommended Budget language for FY2023. The language is identical to that of prior years, excepting the amount specified in subsection (b):

(a) Notwithstanding any other provisions of law, the Office of the Attorney General, Medicaid Fraud and Residential Abuse Unit, is authorized to retain, subject to appropriation, one-half of the State share of any recoveries from Medicaid fraud settlements, excluding interest, that exceed the State share of restitution to the Medicaid Program. All such designated additional recoveries retained shall be used to finance Medicaid Fraud and Residential Abuse Unit activities.

(b) Of the revenue available to the Attorney General under 9 V.S.A. § 2458(b)(4), \$1,545,393 is appropriated in Sec. B.200 of this act.

**Sec. E.314(c) DEPARTMENT OF MENTAL HEALTH; MOBILE CRISIS OUTREACH SERVICES** - The following additional language is recommended to reflect more accurately how the service will be operationalized:

(c) The Department, in coordination with AHS Secretary's Office, Department of Vermont Health Access and Department of Financial Regulation shall develop a sustainability plan to



ensure that the services will continue to be available after expiration of the enhanced federal match rate.

**Sec. E.702 Amending 23 V.S.A. § 3513** - The House amended the language in Sec E.702 to replace “Fish and Wildlife” with “Forests, Parks and Recreation.” However, the department named should be reverted to “Fish and Wildlife” to represent accurately the entity responsible for the program described by this statute.

**Sec. G.300(a)** - The following technical edit is recommended to match the syntax used in 2021 Act 74, and to ensure the items which follow are clearly defined as being separate appropriations to separate individual entities:

(a) \$4,635,227 in fiscal year 2023 is appropriated from the American Rescue Plan Act (ARPA) - Coronavirus State Fiscal Recovery Funds. ~~These funds shall be allocated~~ as follows:

**Sec. G.600(a)(4)** - The following edit is recommended to direct the appropriation to the Public Service Department rather than to the Clean Energy Development Fund (CEDF). The CEDF authorizing statute does not permit funds to be used for the purposes described in this section. Holding the funds in the CEDF impedes the Department’s ability to coordinate with other agencies’ programs related to energy efficiency and weatherization.

(4) \$25,000,000 to ~~the Clean Energy Development Fund administered~~ the Department of Public Service pursuant to 30 V.S.A. § 8015(e)(1), of which \$20,000,000 is to provide financial and technical assistance for low- and moderate-income Vermonters to upgrade home electrical systems to enable installation of energy saving technologies, and \$5,000,000 is to establish a “Switch and Save” program to provide financial and technical assistance for low- and moderate-income Vermonters to install, at low- or no-cost, heat pump water heaters, with a focus on replacing water heaters near the end of their useful life and serving households participating in the electrical system upgrades described in this subsection. ~~Notwithstanding any contrary provision of 30 V.S.A. § 8015, the Clean Energy Development Fund is authorized to deploy these funds as laid out in this subsection.~~

**Sec. G.701(b)** - The following edit is recommended to describe better the legislative act in question:

(b) Fiscal year 2023. \$5,236,781 in fiscal year 2023 is appropriated from the American Rescue Plan Act (ARPA) - Coronavirus State Fiscal Recovery Funds for projects authorized in the fiscal year 2023 Capital ~~Building Budget~~ Adjustment Bill. Act as follows:

Additionally, in subsections (1) through (6), the text “in fiscal year 2023” is redundant with (b) above and may be omitted.

**Sec. G.801(a)** - The following edit is suggested for syntactical consistency with other legislative appropriations to the Agency of Administration for distribution to various departments, and to



prevent any confusion related to the use of the word “transfer” (which is typically used to describe the movement of money between funds):

(a) \$10,500,000 in fiscal year 2023 is appropriated from the American Rescue Plan Act - Coronavirus State Fiscal Recovery Funds to the Agency of Administration to be ~~transferred~~ distributed as needed to address the statewide costs of administering these funds, including the costs of related limited-service positions, and contracting for programs and services.

