



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

TO: Susanne Young, Secretary of Administration
Agency and Department Heads

FROM: Senator Jane Kitchel, Chair, Senate Appropriations
Representative Mary S. Hooper, Chair, House Appropriations

DATE: January 21, 2021

SUBJECT: FY 2022 Budget Testimony before House and Senate Committees on
Appropriations

As in past years, the Chairs of the House and Senate Committees on Appropriations disseminate a memorandum to agency and department heads detailing legislative expectations for budget presentations. This is the first year that the Legislature has commenced remotely, and, because of this format, there are a few things that are different, requiring some accommodation.

The Covid-19 epidemic has changed the way that many of the departments and agencies provide services and administer programs. Please be prepared to speak to the budgetary impacts where pandemic response is likely to change operations for FY 2022. The Appropriations committees, in conjunction with the policy committees, would like to understand the challenges and opportunities that have been identified as the result of this new mode of operating. Are there changes that can be made regarding the delivery of services, use of space, technology, or approaches to efficiently using state resources to ensure that Vermonters are being served effectively?

As was the case last session, committees expect to have documents presented electronically, preferably in PDF format. The documents that are submitted should be in a format that allows committee members to print them on their remote printers in a legible format. For instance, large spreadsheets may need to be reformatted so that they can be printed on 8 ½" by 11" paper most commonly used in home printers.

When you prepare your department and agency budgets according to evidence-based performance accountability, as discussed below, please keep population-level outcomes in mind.

Evidence-Based Performance Accountability

Both Committees on Appropriations remain focused on evidence-based performance accountability. FY 2022 will continue the transition to a budget based upon evidence-based performance accountability. This year, an expanded group of programs is going to be presented in the above-mentioned format. We hope that these departments will help with the transition of the entire budget to the new format in coming years. The plan is to expand further the number of evidence-based performance accountability budget programs in FY 2022, moving toward the goal of having all programs in this format in subsequent years. We hope that you share our belief that this approach will support sound policy making and resource allocation for the State, as well as help to demystify the budget process for the public. The ultimate goal is for State leaders, managers, staff, and the general public to understand both on what and how public funds are spent in the budget and whether these expenditures are leading to the intended result.

The two appropriations committees intend to increase the level of focus on programs and performance accountability. In addition, House policy committees will be requesting this information to enable them to have a stronger role in the budget decision-making process. Please include a summary sheet with your budget documentation that responds to the following three questions, the same that were asked last year.

1. How much did we do?
2. How well did we do it?
3. Is anyone better off?

HUMAN SERVICES - SPECIFIC REQUEST – Both committees would like more longitudinal data about the populations enrolled and services provided by the programs that we fund. This includes recent caseload trends and characteristics such as age, income and employment, acuity of need, types of services provided, such as case management, type of workforce participation, and/or other data for factors that relate to program cost and outcome.

DOCUMENTATION

The commissioner or director of each department should present budget testimony which is brief, concise, and leaves sufficient time for questions and discussion. Budget testimony and support materials should relate to the Governor's recommended budgets.

Both Committees on Appropriations have been assigned iPads and most members will be accessing the budget documents electronically. In order to facilitate committee use of ipads, please submit all budget materials electronically at least five days prior to your scheduled testimony to both the House and Senate Committees on Appropriations through Theresa Utton-Jerman tutton@leg.state.vt.us and Chrissy Gilhuly cgilhuly@leg.state.vt.us. It would be helpful if you could copy Maria Belliveau for House documents, mbelliveau@leg.state.vt.us, and Stephanie Barrett for Senate documents, sbarrett@leg.state.vt.us. Please submit your documents as attachments to an e-mail in Portable Document Format (pdf). Additionally, please combine each budget component from the Vantage System as one attachment, i.e., all budget details, all budget rollups, narrative, etc. and ensure that all pages run either landscape or portrait in order to

avoid committee members having to read the documents sideways. You may need to attach several documents to one e-mail and/or you may need to send more than one e-mail. If you send more than one attachment or e-mail please make sure that you label the attachments to indicate how many we will be receiving, 1 of 2...in the subject line. We can accept Excel spreadsheet is needed but please make sure the print setting is correct for your presentation.

All of the pre-submitted budget documents will be posted on the Joint Fiscal Office website and the committees' webpage. While testifying before the House and Senate Committee on Appropriations, your budget documents will be presented on the Zoom screen for all to see.

Point Person - The Committees on Appropriations delegate responsibilities for specific areas of the budget to individual committee members, or subcommittees, in order to obtain detailed information that they use when making recommendations to the committee as-a-whole during the mark-up process. Department heads will be asked to meet, or correspond by e-mail or telephone, with the appropriate committee member to answer specific questions. Additional follow-up information requests made by a committee member should be provided within one week, whenever possible. Please submit a copy of any follow-up documents to the relevant staff person in a timely manner so that they are added to the committees' permanent budget file.

Vantage Budget System Reports - Please include PDF versions of the budget system reports with your submission.

Crosswalk Spreadsheet (i. e. the ups and downs) - Please provide a brief update on the significant changes or initiatives between FY 2020 and the FY 2021 appropriation request. In addition to detailing the annual changes, for significant program changes, please include a column that shows the total base budget after the proposed change is made to a program. For instance, in the Department for Children and Families, the entry indicating a change in funding for the Child Care Subsidy would include a column on the far right that shows what the amount of the base program is after the proposed change as well as a comment indicating what the change is. For example, "we are recommending a \$1M increase in the appropriation for the STARS program." The addition of this total column and the associated comment will allow the committee members to understand the scale of the change that is being requested.

A new request regarding the crosswalk is that section numbers corresponding with the budget be included on the far left of each crosswalk. This will enable members to quickly and accurately identify what section of the budget the numbers relate to.

Federal Funding - Although there is much uncertainty regarding what will occur at the federal level, please identify federal funding sources that are or are likely to be reduced or eliminated in FY 2022 based upon the information that you have at this point in the process. Additionally, please include detail on any significant change in federal funding, including information about the size and duration of federal grants that are included in the budgets. If there is a major initiative funded with federal funds, the committees would like to know the funding plan for the initiative once the federal funds are no longer available.

Federal Covid-19 Relief Funds (CRF) - The FY 2022 budget will likely include federal Covid-19 Relief Funds (CRF). Please include a description of what the CRF funds will be used for in the budget narrative.

Impact on Vermonters - The committees request a brief statement describing what the impacts are of changes in funding. Please include information regarding what populations are affected and to what extent, any cost-sharing requirement or any cost shifting, any impact on waiting lists or other programs, and any offsets or alternatives that may mitigate the impacts.

Position Changes and Vacancy Savings – The committees would like to understand how services provided by each department will be impacted by any budgeted vacancy savings target, and any position reductions or increases included in the proposed budget.

Grants - The committees would like a summary of the grants that are distributed from each appropriation to community and nonprofit organizations and changes in these grant amounts from FY 2020 to FY 2022. This document may be omitted if enough detail on these grants is included in the Vantage System reports.

Carry-forward Funds – For each appropriation, please provide a summary of the amount of carry forward funds that were available at the end of FY 2020 and the anticipated level of carry forward funds available at the end of FY 2021.

Single Audit Findings –It is important to ensure that the State complies with federal requirements specific to federally funded programs. The Office of the Vermont State Auditor annually audits selected state entities and develops Single Audit recommendations. To avoid repeat findings, we request that departments that have undergone Single Audits list any findings and indicate what actions they are taking to address them.

QUESTIONS?

Please email the staff at Joint Fiscal Office with any questions. The staff assignments and email addresses are included below for electronic submission of information. In addition to staff specifically assigned to the two Appropriations Committees, the Chief Legislative Fiscal Officer will be working with the committees as needed over the course of the legislative session.

House Appropriations Committee

Maria Belliveau
mbelliveau@leg.state.vt.us

Theresa Utton-Jerman, 828-5767
tutton@leg.state.vt.us

Stephen Klein, 828-5769
SKLEIN@leg.state.vt.us)

Senate Appropriations Committee

Stephanie Barrett, 828-5973
sbarrett@leg.state.vt.us

Chrissy Gilhuly
cgilhuly@leg.state.vt.us

Thank you in advance for your attention to these matters.

Senator Jane Kitchel
Chair, Senate Appropriations

Representative Mary Hooper
Chair, House Appropriations

