

ATTACHMENT:

Committee on Government Operations and Military Affairs

Please review the provisions below that are included in the Governor's Fiscal Year 2023 proposed Budget Adjustment bill. The explanations highlighted in yellow were provided by the Department of Finance and Management. The notes in gray are from the House Appropriations Committee.

Sec. 1 2022 Acts and Resolves No. 185, Sec. B.1100 is amended to read:

a) In fiscal year 2023, funds are appropriated from the General Fund for new and ongoing initiatives as follows:

* * *

(24) \$3,000,000 to the Secretary of Administration to implement the Rural Infrastructure Assistance Program created in Sec. E.100.4 of this act.

EXPLANATION: The administration proposes \$3M to provide Vermont's rural communities with technical assistance in applying for and utilizing available ARPA funds.

NOTE: The Committee on Commerce and Economic Development and the Committee on Agriculture, Food Resiliency, and Forestry are also reviewing this section.

(25) \$3,345,000 to the Secretary of Administration to be used as the 10% State match required for FEMA COVID funds starting July 01, 2022.

EXPLANATION: FEMA COVID funding had previously been 100% federal funds. As of July 01, 2022, FEMA requires a 10% match for all eligible expenditures. The most recent estimate of need is \$3.345M.

(26) \$1,734,000 to the Agency of Digital Services to be used as state match for a US Geological Survey (USGS) Light Detection and Ranging (LIDAR) grant.

EXPLANATION: Approximately every 8 years the USGS offers cooperative agreement opportunities for states to update their imagery and account for changes in landscape. This grant will support the state's LIDAR program which is essential to updating and maintaining the state's tax mapping efforts.

NOTE: The Committee on Environment and Energy and on General and Housing are also reviewing this section.

(27) \$1,115,000 to the Military Department to be used as state match for the federal Facilities Sustainment, Restoration and Modernization (SRM) funds eligible for receipt in federal fiscal year 2023.

EXPLANATION: The Vermont National Guard received approval for \$8.522M in Sustainment, Restoration and Modernization (SRM) funds for state armories across two federal fiscal years: \$5.182M for FFY2022 requiring \$1.68M of State match, and \$3.340 for FFY2023 requiring \$1.115M of State match. While funding was secured to achieve execution of the FFY22 projects, the Department requests \$1.115M of General Fund required to provide state match for all FFY23 projects in direct support of the Vermont Army National Guard.

NOTE: The Committee on Corrections and Institutions is also reviewing this section.

Sec. 3 2022 Acts and Resolves No. 185, Sec. B.1102 is added to read:

Sec. B.1102 FISCAL YEAR 2023 ONE-TIME TECHNOLOGY

MODERNIZATION SPECIAL FUND APPROPRIATIONS

(a) In fiscal year 2023, funds are appropriated from the Technology

Modernization Special Fund (21951) for new and ongoing initiatives as follows:

(1) \$40,010,000 to the Agency of Digital Services to be used as follows:

(A) \$11,800,000 for Enterprise Resource Planning (ERP) system

upgrade of core statewide financial accounting system and integration with the Department of Labor and Agency of Transportation financial systems;

(B) \$1,800,000 for continued implementation of the Workplace

Information Management System for property management at the Department of Buildings and General Services;

(C) \$960,000 for the Fire Safety System Modernization to replace the current technology with a modern platform to improve records management and public interaction functionalities related to permitting and licensing;

(D) \$2,200,000 for a case management system at the Office of the Attorney General;

(E) \$20,250,000 for the Department of Motor Vehicles (DMV) Core System Modernization Phase II;

(F) \$3,000,000 for the Department of Labor Unemployment Insurance Modernization project.

EXPLANATION: \$16.76M of Technology Modernization Fund expenditures, for the projects previously itemized in 2022 Act 185 Section E.102.2, are removed from the Agency of Digital Services' base appropriation in Section B.105 and re-established as one-time appropriations. This section also makes appropriations for the \$20.25M DMV Modernization and \$3M VDOL projects, since the contingent General Fund transfer established in 2022 Act 185 Sec. C.102(b) was available and transferred to the Technology Modernization Fund at the close of FY2022. This adjustment maintains ADS's base appropriation, prevents large annual variances due to project portfolio changes, and provides greater internal control over projects and their associated funding.

1100010000 Secretary of Administration \$ 261,019.35

1110003000 Budget & Management \$ 46,983.65

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1260010000 Office of the Treasurer \$ 206,201.60

2100001000 Attorney General \$ 1,181.15

2140010000 Department of Public Safety – State Police \$ 329,311.26

2140090000 Forensic Laboratory \$ 60,701.18

2150010000 Military Administration/TAGO \$ 347,364.99

2230892001 Calendar Year 2020 General Election \$ 59,295.39

Sec. 4 2022 Acts and Resolves No. 185, Sec. D.101 is amended to read:

(a) Notwithstanding any other provision of law, the following amounts are transferred from the funds indicated:

* * *

(10) From the General Fund to the Cannabis Regulation Fund (21998): \$540,311

NOTE: The Committees on General and Housing and the Committee on Judiciary are also reviewing this section.

Sec. 7 2022 Acts and Resolves No. 185, Sec. E.100.4 is added to read:

Sec. E.100.4 RURAL INFRASTRUCTURE ASSISTANCE PROGRAM

(a) Rural Infrastructure Assistance Program. The Agency of Administration shall develop a program to support rural communities in accessing, and managing, competitive grant funds available for clean water initiatives, development of a wide array of housing, broadband development, community recovery, workforce development and business supports and climate change mitigation and resiliency infrastructure projects to be administered by the State.

(b) Eligible communities. This Program will be designed to serve communities which score 75 percent or higher on the Vermont Underserved Communities Index developed by the Agency of Administration. The Agency shall have the option to expand the Program to additional communities after one calendar year from the date of implementation to the extent funds remain available.

(c) The Agency will make the following community support services available upon request from eligible communities:

(1) Community Needs Assessments to evaluate need as directed by a municipality in the following categories:

(A) Water quality infrastructure improvement;

(B) Housing development;

(C) Community recovery, workforce development and business supports;

(D) Climate change mitigation and resilience; and

(E) Other projects related to community economic development as determined by the Agency of Administration.

(1) Opportunity Assessment to identify available state and federal funding programs.

(2) Application and Permitting support to assist municipalities to apply for applicable funding sources and develop necessary permits.

(3) Project management and implementation support to assist successful grant recipients with project management and funding program compliance.

EXPLANATION: Directs the Agency of Administration to develop a program to provide technical assistance to rural communities seeking ARPA-funded opportunities. \$3M is provided for this purpose in Section XX of this Act, amending Sec. B.1100 of 2022 Act 185.

NOTE: The Committee on Commerce and Economic Development and the Committee on Agriculture, Food Resiliency, and Forestry are also reviewing this section

Sec. 8 2022 Acts and Resolves No. 185, Sec. E.105.2 is amended to read:

Sec. E.105.2 FISCAL YEAR 2023; TECHNOLOGY MODERNIZATION SPECIAL FUND; AUTHORIZATIONS

~~(a) In fiscal 2023, the following expenditures are authorized from the Technology Modernization Special Fund to the projects described in this section:~~

~~(1) the sum of \$11,800,000 for Enterprise Resource Planning (ERP) system upgrade of core statewide financial accounting system and integration with the Vermont Department of Labor and the Agency of Transportation financial systems;~~

~~(2) the sum of \$1,800,000 for continued implementation of the Workplace Information Management System for property management at the Department of Buildings and General Services;~~

~~(3) the sum of \$960,000 for the Fire Safety System Modernization to replace the current technology with a modern platform to improve records management and public interaction functionalities related to permitting and licensing; and~~

~~(4) the sum of \$2,200,000 for a case management system at the Office of the Attorney General.~~

~~(b) The expenditures authorized in subdivision (a)(1) of this section Section B.1102 of this Act shall only be released following approval by the Joint Information Technology Oversight Committee upon a review of the following documentation as provided by the Agency of Digital Services, the Agency of Administration, and the Joint Fiscal Office's IT consultant:~~

- (1) adequacy of departmental readiness;
- (2) the responsiveness of requests for proposals; and
- (3) results of the independent review.

~~(e)~~(b) In fiscal year ~~2023~~2024, if funds are available per section C.102(b) of this act, the following expenditures are authorized from the Technology Modernization Special Fund to the projects described in this section:

(1) ~~The sum of \$20,250,000 for the Department of Motor Vehicles (DMV) Core System Modernization Phase II.~~(2) The sum of up to \$30,000,000~~\$27,000,000~~ for the Department of Labor Unemployment Insurance Modernization project. These funds shall be released as follows:

~~(A) the sum of \$3,000,000 on July 1, 2022;~~ (B) ~~(A)~~ the sum of \$10,000,000 on July 1, 2023 upon approval by the Joint Information Technology Oversight Committee of the actions outlined in a Project Schedule; and

~~(C)~~(B) Remaining funds shall be released upon request as needed by the Agency of Digital Services and approval of the Joint Information Technology Oversight Committee in accordance with actions outlined in a Project Schedule.

* * *

(3) For the amounts released in subdivisions ~~(2)(B)~~ ~~(C)~~ (1)(A) ~~(B)~~ of this subsection, the Joint Information Technology Oversight Committee shall consider the Project Schedule developed between the Department of Labor and the Agency of Digital Services, as approved by the Agency of Administration. The Joint Information Technology Oversight Committee shall also consider any actions

proposed by the U.S. Department of Labor that may impact current or future plans developed by the State's Department of Labor.

EXPLANATION: Aligns 2022 Act 185 E.105.2 with the appropriations in Sec. 3 of this Act, adding Sec. B.1102 to 2022 Act 185.

NOTE: The Committee on Corrections and Institutions is also reviewing this section.

Sec. 15 2022 Acts and Resolves No. 185, Sec. E.514 is amended to read:

Sec. E.514 State Teachers' Retirement System

(a) In accordance with 16 V.S.A. § 1944(g)(2), and consistent with system changes enacted for fiscal year 2023 in the 2022 session, the annual contribution to the State Teachers' Retirement System (STRS) shall be ~~\$194,161,651~~\$194,961,651 of which ~~\$187,273,782~~\$188,073,782 shall be the State's contribution and \$6,887,869 shall be contributed from local school systems or educational entities pursuant to 16 V.S.A. § 1944c.

(b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution, ~~\$34,342,965~~\$34,842,965 is the "normal contribution," and ~~\$159,818,686~~\$160,118,686 is the "accrued liability contribution."

EXPLANATION: Changes represent the difference between Actuarial adjustments following Act 114 and the estimates used to calculate Act 185 totals.

NOTE: The Committee on Ways and Means and the Committee on Education are also reviewing this section.

Sec. 22 2022 Acts and Resolves No. 83, Sec. 68 is amended to read:

* * *

(28) ~~\$12,803,996~~\$12,803,993 to the Department of Labor to cover pandemic related operating costs in the Unemployment system and other programs.

* * *

EXPLANATION: Technical adjustment to correct the Department of Labor's allocated amount of ARPA funds and reconcile the subsection totals to the total ARPA funds provided per Act 74 Section G.300 [2021] as amended by Act 83 Section 68 [2022].

NOTE: The Committee on Commerce and Economic Development is also reviewing this section.

Sec. 25 2022 Acts and Resolves No. 182, Sec. 28 is amended to read:

Sec. 28. ~~APPROPRIATION~~ ALLOCATION

~~To the extent that increased funding is provided in fiscal year 2023 to the Municipal and Regional Planning Fund, \$650,000.00 shall be used for Municipal Bylaw Modernization Grants established in 24 V.S.A. § 4307.~~

An amount not to exceed \$650,000 of Municipal and Regional Planning Funds, as appropriated to the Department of Housing and Community Development per 2002 Act 185 Section B.802, may be used to provide Municipal Bylaw Modernization Grants in accordance with 24 V.S.A § 4307.

EXPLANATION: Technical amendment clarifying that the \$650,000 referenced in 2022 Act 182 Section 28 was an allocation of the amount appropriated in 2022 Act 185 Section B.802 and not an additional appropriation. This adjustment effectuates the changes expressed in the June 30, 2022 Statement of Legislative Intent's Act 182 Section 28 paragraph (pp. 6 of 7).

Sec. 26 2022 Acts and Resolves No. 183, Sec. 16(b)(1) is amended to read:

(1) Notwithstanding 16 V.S.A. § 4025(d); ~~In~~ in fiscal year 2023, the amount of \$15,000,000.00 is appropriated from the Education Fund to the Vermont Housing and Conservation Board to create and administer the CTE Construction and Rehabilitation Experiential Learning Program and Revolving Loan Fund pursuant to this section

EXPLANATION: Language necessary to implement the use of Education Funds without repealing the education property tax. This adjustment effectuates the changes expressed in the June 30, 2022 Statement of Legislative Intent's Act 183 Section 16 paragraph (pp. 6 of 7).

NOTE: The Committee on Ways and Means, the Committee on General and Housing, and the Committee on Education are also reviewing this section.