

Proposed CECF language and unexpended fund language

Rebecca Wasserman

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1 Sec. 1. 32 V.S.A. § 1001B is amended to read:

2 § 1001B. ~~CAPITAL EXPENDITURE CASH FUND~~ CAPITAL
3 INFRASTRUCTURE RESERVE FUND

4 (a) Creation. There is hereby created the ~~Capital Expenditure Cash Fund~~
5 Capital Infrastructure Reserve Fund to be administered by the Commissioner
6 of Finance and Management, in consultation with the State Treasurer, for the
7 purpose of using general funds to defray the costs of future capital
8 expenditures that would otherwise be authorized in the capital construction act
9 and paid for using the State's general obligation bonding authority and debt
10 service obligations or paid for as a direct associated cost of a capital project.

11 (b) Fund. The Fund may consist of:

- 12 (1) any appropriations or transfers made by the General Assembly; and
13 (2) any interest earned by the Fund.

14 (c) Use of funds. ~~Expenditure shall only be made from the Fund by~~
15 ~~appropriations by the General Assembly. Plans for use shall be submitted as~~
16 ~~part of the operating budget adjustment or operating budget process. Monies in~~
17 the Fund shall only be used for:

- 18 (1) ~~costs associated with a proposed capital project that occur prior to~~
19 ~~the construction phase of that project, including feasibility, planning, design,~~
20 ~~and engineering and architectural costs~~ tangible capital investments, as
21 described in Sec. 310 of this title, with an anticipated lifespan of 20 years or
22 more;

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1 (2) ~~projects with an anticipated lifespan of 20 years; engineering and~~

2 architectural costs directly associated with a proposed capital project; and

3 (3)-costs associated with the early redemption of general obligation

4 bonds; ~~and~~

5 (4) ~~other eligible capital projects receiving an appropriation from the~~

6 ~~General Assembly.~~

7 (d) Project recommendation and approval. The House Corrections and

8 Institutions Committee shall review any requests for use of the Fund and

9 recommend projects to be paid for from the Fund to the House Committee on

10 Appropriations. Expenditures shall only be made from the Fund by

11 appropriation by the General Assembly.

12 (e) Fund balance. All balances in the Fund at the end of any fiscal year

13 shall be carried forward and remain part of the Fund.

14 (f) Spending authority. Any entity authorized to make expenditures from

15 the Fund shall have not more than two years from the legislative session in

16 which the act authorizing the expenditure was enacted to encumber the funds.

17 Any remaining unencumbered funds shall remain part of the Fund.

18 (e)(g) Early redemption transfer. If any expenditures are made from the

19 Fund or the General Assembly appropriates general funds to pay for the early

20 redemption of general obligation bonds pursuant to subdivision (c)(3) of this

21 section, then an amount equal to the reduction in debt service required in any

22 fiscal year resulting from that redemption shall be transferred to the Fund.

23 (h) Report.

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1 (1) On or before November 15 each year, the Commissioner of Finance
2 and Management shall require each entity to which spending authority has
3 been authorized for a capital project from the Fund to submit a report on the
4 current fund balances of each authorized project with unencumbered funds.
5 The report shall include plans for the unencumbered funds, any projects or
6 contracts the funds are assigned to, and an anticipated timeline for
7 encumbering the funds.

8 (2) On or before December 15 each year, the Commissioner of Finance
9 and Management shall submit in a consolidated format the reports required by
10 subdivision (1) of this subsection to the House Committee on Corrections and
11 Institutions and the Senate Committee on Institutions.

12 Sec. 2. 32 V.S.A. § 1001 is amended to read:

13 § 1001. CAPITAL DEBT AFFORDABILITY ADVISORY COMMITTEE

14 * * *

15 (c) Committee estimate of a prudent amount of net State tax-supported
16 debt; affordability considerations. On or before September 30 of each year, the
17 Committee shall submit to the Governor and the General Assembly the
18 Committee’s estimate of net State tax-supported debt that prudently may be
19 authorized for the next fiscal year, together with a report explaining the basis
20 for the estimate. The Committee’s estimate shall not take into consideration
21 the balance remaining at the end of each fiscal year in the Capital
22 Infrastructure Reserve Fund, established pursuant to Sec. 1001B of this title.
23 The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not

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1 apply to the report to be made under this subsection. In developing its annual
2 estimate, and in preparing its annual report, the Committee shall consider:

3 * * *

4 Sec. 3. 32 V.S.A. § 307 is amended to read:

5 § 307. FORM OF BUDGET

6 (a) The budget shall be arranged and classified so as to show separately the
7 following estimates and recommendations:

8 * * *

9 (f) The budget shall also include the Governor's recommendation for any
10 proposed transfers to the Capital Infrastructure Reserve Fund, established in
11 Sec. 1001b of this title.