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Agency of Administration
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Adam Greshin, Commissioner

TO: Senator Jane Kitchel
CC: Rep. Diane Lanpher, Emily Byrne, Aimee Pope, Erin Viera, Hannah Gottschalk
FROM: Adam Greshin
RE: **Technical Corrections to H.883 – An act relating to making appropriations for the support of government**
DATE: April 4, 2024

I write to suggest the following clarifications and technical edits to H.883 – *An act relating to making appropriations for the support of government* - as passed by the House.

Sec. B.105 Agency of digital services – communications and information technology

Personal services	83,082,218	
Operating expenses	62,547,212	<u>61,673,356</u>
Total	145,629,430	
Source of funds		
General fund	209,808	
Special fund	511,723	
Internal service funds	144,907,899	<u>144,034,043</u>
Total	145,629,430	<u>144,755,574</u>

EXPLANATION:

Technical correction based on Oracle Peoplesoft license cost to be billed in FY 2025. The licenses are related to the VISION and VTHR applications and the expense is paid out of the Financial Management Fund #59300 (“VISION” Internal service fund). The billing is due in part to a calculation based on prior year actual operating expenditure as reported in the ACFR. The figures in Sec. B.105 as recommended by the Governor and passed by the House were based on a preliminary estimate for Oracle license cost that was made prior to the completion of the ACFR and the final operating expenditure calculation. This correction aligns Sec. B.105 with actual need.



Sec. B.111 Tax - administration/collection

Personal services	28,305,591	29,375,591
Operating expenses	<u>6,868,137</u>	
Total	35,173,728	35,243,728
Source of funds		
General fund	23,248,019	
Special funds	11,880,709	
Interdepartmental transfers	<u>45,000</u>	<u>115,000</u>
Total	35,173,728	35,243,728

EXPLANATION:

Provides additional \$70,000 of inter-department transfer spending authority in accordance with Section E.139.

Sec. B.200 Attorney general

Personal services	14,426,517	14,435,517
Operating expenses	2,015,028	
Grants	<u>20,000</u>	
Total	16,461,545	16,470,545
Source of funds		
General fund	7,391,661	
Special funds	2,355,424	
Tobacco fund	422,000	
Federal funds	1,743,215	
Interdepartmental transfers	<u>4,549,245</u>	<u>4,558,245</u>
Total	16,461,545	16,470,545

EXPLANATION:

Provides additional \$9,000 of inter-department transfer spending authority in accordance with Section E.139.



Sec. B.301 Secretary's office - global commitment

Grants	<u>2,019,998,406</u>	
Total	2,019,998,406	
Source of funds		
General fund	660,158,311	660,151,357
Special funds	32,047,905	
Tobacco fund	21,049,373	
State health care resources fund	28,053,557	
Federal funds	1,274,202,050	1,274,209,004
Interdepartmental transfers	<u>4,487,210</u>	
Total	2,019,998,406	

EXPLANATION:

The fund split for the match to support VNA skilled nursing to Medicare LUPA rates should be \$543,046 General Fund and \$744,709 Federal Funds.

Sec. B.507 Education - Merger Support Grants

Grants	<u>3,000,000</u>	<u>1,800,000</u>
Total	<u>3,000,000</u>	<u>1,800,000</u>
Source of funds		
Education fund	<u>3,000,000</u>	<u>1,800,000</u>
Total	<u>3,000,000</u>	<u>1,800,000</u>

EXPLANATION:

With weighted pupils frozen, the appropriation can be reduced from \$3 million to \$1.8 million.

Sec B.922 Total transportation

Source of funds		
Transportation fund	326,117,772	
TIB Fund	18,700,000	
Special funds	5,050,000	
Federal funds	486,626,974	493,926,974
Internal service funds	22,951,235	
Interdepartmental transfers	4,285,717	
Local match	<u>7,717,496</u>	
Total	<u>871,449,194</u>	878,749,195



EXPLANATION:

Arithmetic correction to accurately sum the federal funds appropriated in sections B.920 through B.921.

Sec. B.1100 MISCELLANEOUS FISCAL YEAR 2025 ONE-TIME APPROPRIATIONS

(k) Secretary of State. In fiscal year 2025, funds are appropriated for the following:

(3) ~~Notwithstanding 3 V.S.A. § 124(a)~~, \$67,000 General Fund to the Office of Professional Regulation to support the administrative work necessary to implement newly joined interstate compacts.

EXPLANATION:

The Office of Professional Regulation is funded by the Professional Regulatory Fee Fund pursuant to 3 V.S.A. § 124(a), which states “it is the policy of this State that (1) the cost of regulating a profession attached to the Office of Professional Regulation should be borne by the profession.” If a General Fund appropriation is to be made for the purpose described above, language notwithstanding 3 V.S.A. § 124(a) should be included.

If fund deficit mitigation and/or avoidance is the intent of this section, a transfer from the General Fund to the Professional Regulatory Fee Fund would be a more appropriate action than a General Fund appropriation, and be consistent with other transfers (for example, those to the Fire Safety Fund and E-911 fund) proposed in H.883 Sec. D.101.

In fiscal 2023, in the Professional Regulatory Fee Fund, total revenues of \$8.2 million exceeded expenses by approximately \$1.2 million (17%), and professional fee increases became effective as of June 20, 2023 with 2023 Act 77. Against this backdrop, the need for \$67,000 (an amount representing less than 0.01% of fund revenues in fiscal 2023, before fees were increased) of General Fund support for professional regulation is unclear.

The Administration recommends striking the one-time appropriation in B.1100(k)(3) and providing any additional spending authority as needed from the Professional Regulatory Fee Fund.

(n) Agency of Human Services. In fiscal year 2025, funds are appropriated for the following:

(1) ~~\$206,199~~ \$203,592 General Fund and ~~\$276,590~~ \$279,197 federal funds for Global Commitment match to support mental health urgent care centers.

EXPLANATION:

Correction in the fund split for the Global Commitment match.

Sec. B.1101 FISCAL YEAR 2024 2025 VACANCY SAVINGS

(a) In fiscal year 2025, the Secretary of Administration shall reduce appropriations ~~for~~ by amounts based on labor savings due to unfilled vacant positions within the Executive Branch. The Secretary of Administration shall provide status reports to the Joint Fiscal Committee on



achievement of ~~this base these~~ reductions at meetings in July, September, and November of 2024. The Commissioner of Finance and Management ~~is authorized to may~~ transfer other funds saved as a result of these initiatives to the General Fund in fiscal year 2025:

Total General Fund Appropriation Reductions \$(5,000,000)

EXPLANATION:

Finance and Management assumes the House intent is for the appropriation reductions to occur in FY 2025 and the reference to FY 2024 in the section heading is a typographical error.

The Administration opposes this section for several reasons, but from a technical perspective it would result in the enactment of a fiscal year 2025 budget that is not in balance as of the date it takes effect. As of the proposed bill’s effective date, the total General Fund uses to be implemented in the VISION accounting system (including all appropriations, transfers, and reserves) will exceed available General Fund sources by approximately \$5 million, a fact that would be reflected by a deficit on the General Fund FY 2025 operating statement as of July 1, 2024. This operating statement is a document of record the Administration provides for various public facing purposes, including the state’s pending General Obligation Bond offering. The Administration strongly recommends this section be replaced by alternative actions which would reduce appropriations and/or increase available sources as of 7/1/2024, to avoid conveying a budget deficit in public facing documents.

Notwithstanding the above objection, if the intent of this language is to be enacted, Finance and Management recommends the following technical edits:

- The phrasing “appropriations for labor savings” is awkward and misleading (i.e. the state has no “appropriations for labor savings”); clarifying language is suggested.
- Remove the reference to “base reductions.” The starting point or “base” for building the budget for the upcoming fiscal year is built on the amounts appropriated in the prior “Big Bill” as passed. A “base reduction” suggests a reduction that will be carried into the next budget year. Midyear appropriation adjustments (such as those enacted in the BAA, or those contemplated by this proposed section) do *not* change the base starting point for the next fiscal year. Finance and Management assumes the intent of this section is *not* to reduce automatically the base appropriation starting point for a particular department in FY2026, because the department was unable to fill certain positions during FY 2025 and consequently had their FY 2025 appropriation reduced by this section’s authority.
- Refer to “reductions” in the plural, since the status reports are likely to include many discrete reductions from different appropriations.
- Replace ambiguous phrase “is authorized to” with clearer language. If the legislature intends this to be a directive, then apply “shall”; if it intends it to be at the Commissioner’s discretion, then apply “may”.
- Enclose the \$5 million figure in parentheses to indicate that the figure represents a reduction of General Fund appropriations and add language clarifying this amount represents a cumulative total of multiple appropriation reductions.



In addition to technical editing, implementation of the language would require greater elucidation of intent, specifically concerning the methodology for the calculation of labor savings. Is the calculation intended to be backward-looking only (i.e., appropriations would be reduced only after labor savings have been realized by the amounts of time that budgeted positions have gone unfilled), or would it/could it be forward looking also (i.e., if an employee has just resigned, would appropriations be reduced based on an assumption of how long the position will remain vacant before being refilled)? How would the directed appropriation reductions be reconciled with vacancy savings amounts already budgeted within appropriations? Should the Secretary wait until the budgeted vacancy savings amounts have already been exceeded (i.e., actual vacancy savings exceed budgeted vacancy savings), and then at that point make the appropriation reductions in the amount of the excess?

The directive to reduce special fund appropriations (for example, from the Transportation Fund and Education Fund) based on vacancy savings calculations, and to then transfer equivalent amounts from these funds to the General Fund to cover an intentional General Fund budget deficit, is a remarkable fiscal policy prescription, and one to which the Administration is strongly opposed.

The Administration requests this section be struck and replaced with an alternative mechanism which provides a balanced operating statement as of 7/1/2024, which is not complex to administer, and which does not require multiple reports to the Joint Fiscal Committee.

Sec. B.1102 UNOBLIGATED GENERAL FUND CONTINGENT APPROPRIATIONS

(a) After satisfying the requirements of 32 V.S.A. § 308, but prior to satisfying the requirements of 32 V.S.A. § 308c, the remaining unobligated and unexpended balance of the General Fund at the close of fiscal year 2024 shall ~~carry forward and~~ be appropriated in fiscal year 2025 as follows:

(1) \$20,000,000 to the Department for Children and Families for the General Assistance Emergency Housing program; and

(2) \$3,500,000 to the Department of Public Safety Flood Resilient Communities Fund that shall be used for grants to residential or commercial structure elevation projects.

(b) Should the remaining balance be insufficient to fully fund one or both appropriations, then the remaining balance shall be appropriated in the order provided in subsection (a) until the balance is \$0.00.

EXPLANATION:

Finance and Management recommends striking the words “carry forward and,” which were added in a House floor amendment. B.1102 is making contingent appropriations from the balance in the General Fund, not from previously appropriated spending authority. Since the term “carry forward” refers to previously appropriated spending authority, its use relative to a fund balance is redundant and potentially confusing.

The language does not clarify what should happen if insufficient balances remain to fully fund the appropriations. If, for example, only \$19 million is available, does the administration NOT



establish either appropriation? Establish only the second appropriation? Establish \$19 million of the first appropriation and not the second?

Subsection (b) language as suggested would allow Finance & Management to set up appropriations in priority order for full or partial amounts until the balance is exhausted.

Sec. C.101 2023 Acts and Resolves No. 78, Sec. B.1100 is amended to read:

Sec. B.1100 MISCELLANEOUS FISCAL YEAR 2024 ONE-TIME APPROPRIATIONS

(l) Agency of Human Services Central Office. In fiscal year 2024, funds are appropriated for the following:

(3) ~~\$10,000,000~~ \$9,440,000 General Fund to continue to address the emergent and exigent circumstances impacting health care providers following the COVID-19 pandemic; ~~and~~

(4) \$10,534,603 General Fund and \$13,693,231 Federal Revenue Fund #22005 for use as Global Commitment matching funds for one-time caseload pressures due to the suspension of Medicaid eligibility redeterminations; and

(5) \$560,000 General Fund and \$751,168 Federal Revenue Fund #22005 for use as Global Commitment matching funds for supplemental nonemergency transportation funding.

(m) Department of Vermont Health Access. In fiscal year 2024, funds are appropriated for the following:

(1) \$366,066 General Fund and \$372,048 Federal Revenue Fund #22005 ~~to the Department of Vermont Health Access~~ for a two-year pilot to expand the Blueprint for Health Hub and Spoke program; ~~and~~

(2) \$15,583,352 Global Commitment Fund #20405 ~~to the Department of Health Access~~ Medicaid program for a two-year pilot to expand the Blueprint for Health Hub and Spoke program;

(3) \$1,311,168 Global Commitment Fund #20405 as supplemental funding for nonemergency medical transportation services to address the urgent financial needs of the Department's contracted nonemergency medical transportation service providers.

(A) The Department of Vermont Health Access shall report on its new payment methodology for nonemergency medical transportation and the estimated costs of providing nonemergency medical transportation to Medicaid beneficiaries in fiscal year 2026 under that methodology as part of the Department's fiscal year 2025 budget adjustment presentation.



* * *

(o) Department for Children and Families. In fiscal year 2024, funds are appropriated for the following:

* * *

(13) \$500,000 General Fund and \$500,000 federal funds for information technology implementation to support the Summer EBT nutritional benefit program.

* * *

EXPLANATION:

These proposed amendments to Sec. C.101 amending 2023 Act 78 Sec. B.1100 would replace the language in Sec. C.111, which is recommended for repeal. See explanation for repeal of Sec. C.111 below.

Sec. C.105 2023 Acts and Resolves No. 78, Sec. E.104.1 is amended to read:

Sec. E.104.1 DEPARTMENT OF FINANCE AND MANAGEMENT; PENSION PLUS APPROPRIATION DIRECTIVE

(a) In fiscal year 2024, and in each applicable year thereafter, funds appropriated to the Department of Finance and Management and the Agency of Administration in Sec. B.104.1 ~~of this act~~ to fund additional payments to the Vermont State Retirement System made pursuant to 3 V.S.A. § 473(c)(8) shall be directly deposited in the Vermont State Retirement System.

~~(b) Beginning in fiscal year 2025, and in each applicable year thereafter, additional contributions pursuant to 3 V.S.A. § 473 (c)(8) shall be made through the percentage of payroll rate process pursuant to 3 V.S.A. § 473 (d). Sec. E.107 3 V.S.A. § 473 is amended to read:~~

EXPLANATION:

The words “of this act” are no longer necessary since the House added “and in each applicable year thereafter.”

The language does not include the technical correction provided by the administration repealing subsection (b). Per the original explanation in the Governor’s recommended budget language:

“Subsection (b), which would result in using federal funds to make retirement contributions exceeding the actuarially-determined employer contribution amount, is not permissible by Federal rules and is repealed. 2 CFR 200.431(g)(6)(iii) states that “Amounts funded by the non-Federal entity in excess of the actuarially determined amount for a fiscal year may be used as the non-Federal entity’s contribution in future periods.” ASMB C-10 further states that this excess amount is unallowable in the year funded.”

Implementing the directive of subsection (b) would be administratively infeasible and pose a compliance risk for federally funded functions statewide.

Sec. C.111 SUPPLEMENTAL NONEMERGENCY MEDICAID TRANSPORTATION FUNDING; REVERSION



~~(a) Of the funds appropriated to the Agency of Human Services in 2023 Acts and Resolves No. 78, Sec. B.1100(1)(3), the sum of \$560,000 is reverted to the General Fund and shall be appropriated in fiscal year 2024 as follows:~~

~~(1) \$1,311,168 in Global Commitment Fund dollars is appropriated to the Department of Vermont Health Access in fiscal year 2024 as supplemental funding for nonemergency medical transportation services to address the urgent financial needs of the Department's contracted nonemergency medical transportation service providers.~~

~~—(A) The sum of \$560,000 is appropriated from the General Fund to the Agency of Human Services, Global Commitment appropriation in fiscal year 2024 for the State match for the supplemental nonemergency medical transportation funding.~~

~~—(B) The sum of \$751,168 in federal funds is appropriated to the Agency of Human Services, Global Commitment appropriation in fiscal year 2024 for the supplemental nonemergency medical transportation funding.~~

~~(2) The Department of Vermont Health Access shall report on its new payment methodology for nonemergency medical transportation and the estimated costs of providing nonemergency medical transportation to Medicaid beneficiaries in fiscal year 2026 under that methodology as part of the Department's fiscal year 2025 budget adjustment presentation.~~
[REPEAL]

EXPLANATION:

Prior year spending authority is reverted after the close of a fiscal year to free existing assets from unnecessary prior year obligations. This allows existing assets to be reappropriated for current year demands. Current year appropriations are typically adjusted in the Budget Adjustment Act, which amends the current year appropriations bill. Finance and Management recommends this be accomplished by amending Section C.101. Sec. C.111 as written would require an additional \$28,000 to be transferred to the General Fund Stabilization Reserve, since the “reverted” funds would be added as a source, and a new \$560,000 appropriation would be created without reducing the original one-time appropriation.

Sec. C.112 2024 Acts and Resolves No. 84, Sec. 4(b) is amended to read:

(b) Appropriation. The sum of \$500,000.00 is appropriated from the General Fund to the Secretary of State in fiscal year 2024 for the purpose of offsetting election costs incurred by school districts pursuant to this section or the provisions of 2023 Acts and Resolves No. 1. To the extent to which these funds remain unobligated and unexpended at the end of fiscal year 2024, they shall carry forward-revert to the General Fund and a new one-time General Fund appropriation shall be established in fiscal year 2025, in the amount reverted, to be used for election costs in fiscal year 2025.

EXPLANATION:

The appropriation made in 2024 Act 84, Sec. 4(b) is for school district election costs. The carry forward of this appropriation would permit it to continue its use for offsetting election costs incurred by school districts. However, if legislative intent is for the remaining balance to be used



for general election costs, then a new appropriation would be required. Residual balances of spending authority must be reverted prior to being reappropriated, so language is added to provide for reversion and reappropriation.

Sec. C.114 APPROPRIATION; EVIDENCE BASED EDUCATION AND ADVERTISING FUND

(a) \$1,980,000 is appropriated to the Vermont Department of Health from the Evidence-Based Education and Advertising Fund for the expansion of ~~naloxone~~ opioid antagonist distribution efforts, including establishing harm reduction vending machines, home delivery and mail order options, and expanding the harm reduction pack and leave behind kit programs.



EXPLANATION:

Edits to designate the recipient of the spending authority, and to replace “naloxone” with preferred terminology in alignment with state statutes.

Sec. D.101 FUND TRANSFERS

(b) Notwithstanding any provisions of law to the contrary, in fiscal year 2025:

(1) The following amounts shall be transferred to the General Fund from the funds indicated:

- (A) Cannabis Regulation Fund (#21998): \$12,000,000
- (B) AHS Central Office Earned Federal Receipts (#22005): \$4,641,960
- (C) Sports Wagering Enterprise Fund (#50250): \$7,000,000
- (D) Liquor Control Fund (#50300): \$21,100,000
- (E) Tobacco Litigation Settlement Fund (~~#2120891802~~21370): \$3,000,000

EXPLANATION:

Correction of fund number for transfer.

Sec. D. 102 REVERSIONS

(a) Notwithstanding any provision of law to the contrary, in fiscal year 2025, the following amounts shall revert to the General Fund from the accounts indicated:

~~3150070000 Department of Mental Health~~3150892104 MH-Case Management Serv \$350,000.00

340089240~~23~~ AHS – COVID Contingency \$1,041,272.00

EXPLANATION:

Corrections to appropriation numbers.

Sec. E.100 EXECUTIVE BRANCH POSITIONS

(b) The conversion of ~~12~~ 13 limited service positions to classified permanent status is authorized in fiscal year 2025 as follows:

(2) Department of Labor:

(A) one Re-Employment Services and Eligibility Assessment Program Program Coordinator; and

(B) ~~eight~~ nine Re-Employment Services and Eligibility Assessment Program Facilitators.

EXPLANATION:

Aligns subsection (b)(2)(B) with the actual number of RESEA Program Facilitators requested for conversion.

Sec. E.100.3 CORONAVIRUS STATE FISCAL RECOVERY FUND LIMITED SERVICE POSITIONS; REVERSION



(a) To the extent to which limited service positions funded with American Rescue Plan Act dollars remain vacant after June 30, 2024, the positions shall ~~be abolished~~ expire, and monies shall be reverted to the American Rescue Plan Act State Fiscal Recovery Fund #22047.

EXPLANATION:

“Expire” is the technical term applied to limited-service positions that are no longer eligible to be filled.

Finance and Management suggests a technical edit to specify which fund (of the multiple State funds related to the American Rescue Act) this section refers to.

Aside from these technical edits, this section requires greater clarity:

- The language “remain vacant” should be better defined. Would the expiration directive apply to a case in which an employee resigns just prior to the fiscal year, but the position is not refilled by 6/30/2024? A current example is an ARPA-funded AoA limited-service employee who recently gave notice to leave. This position involves accounting and reporting ARPA expenditures—a task which is vital to the effort of reverting and reallocating ARPA funds in the waning months of their eligibility. If the position is not refilled by 6/30/2024, must it expire? Additionally, if a position is vacated after 6/30/2024, must it expire, even if it could be rehired? Is there a time that a position must “remain vacant” to trigger its expiration?
- The language makes a directive if positions “remain vacant,” then monies “shall be reverted.” Monies are not appropriated by position, and the method for calculating the amount to be reverted is not made clear by this language.
 - For example, if a Grants Administrator position becomes vacant and is not filled prior to 6/30/2024, this language directs that the position expires and money will be reverted. How the reversion amount is determined remains unclear. Should the calculation of the reversion be only forward-looking (i.e., based on a calculation of salary and benefit costs from 6/30/2024 through the planned expiration date of the position)? Or should it also be backward-looking (i.e., if the position has been vacant for six months, the calculation would include the prior six months of salary and benefit costs)? What if the vacancy savings realized during the prior six months was otherwise expended for the appropriated purpose (but not on salary and benefit costs)? Would the reversion still need to include the backward-looking “vacancy savings” and thus reduce the amount available for grants going forward? If a grant program is subject to high public demand, and if there are enough staff to continue awarding grants in the absence of the one Grant Administrator who resigned, can the money that would have paid the vacant Grants Administrator position instead be granted out for the purpose it was originally appropriated? Or does this section mandate that it must instead be reverted, to be reallocated to another purpose?

The Administration recommends striking this section due to the ambiguity described above, and because its functional utility is redundant with Sec. E.106, which provides the authorization for reversion of unobligated SFR monies.



Sec. E.139 GRAND LIST LITIGATION ASSISTANCE

(a) Of the appropriation in Sec. B.139 of this act, \$9,000 shall be transferred to the Attorney General and \$70,000 shall be transferred to the Department of Taxes, Division of Property Valuation and Review and reserved and used with any remaining funds from the amount previously transferred for final payment of expenses incurred by the Department or towns in defense of grand list appeals regarding the reappraisals of the hydroelectric plants and other property owned by TransCanada Hydro Northeast, Inc. and its successor Great River Hydro, LLC in the State of Vermont. Expenditures for this purpose shall be considered qualified expenditures under 16 V.S.A. § 4025(e). expenses incurred to undertake utility property appraisals in the State of Vermont.

EXPLANATION:

Align language with that of 2023 Act 78 Sec. E.139 as passed, which expanded prior years' language to refer to utility property appraisals in general, rather than referring to a specific property owner.

Sec. E.142 PAYMENTS IN LIEU OF TAXES

(a) The appropriation in Sec. B.142 of this act is for State payments in lieu of property taxes under 32 V.S.A. chapter 123, subchapter 4. The payments shall be calculated in addition to and without regard to the appropriations for PILOT for Montpelier and for correctional facilities elsewhere in this act. Payments in lieu of taxes under this section shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

~~(b) Notwithstanding subsection (a) of this section, the payments under this section shall be adjusted so that the total payments made under Secs. E.142, E.143, and E.144 of this act do not exceed 100 percent of the assessed value of State buildings as defined by 32 V.S.A. § 3701(2).~~

EXPLANATION:

The inclusion of subsection (b) would not permit the Section B.143 appropriation of \$184,000 to Montpelier since Montpelier would already receive 100% of its regular PILOT payments. This language was not included in the FY 2025 Governor's recommended budget language. Alternatively, if subsection (b) is to remain, the appropriation in B.143 should be struck.

Sec. E.204 JUDICIARY; SUPERIOR COURT JUDGE POSITION

~~(a) Of the three Superior Court Judge positions established in Sec. E.100(a)(2)(B)(i) of this act, one shall be funded with the Tobacco Litigation Settlement Fund dollars appropriated to the Judiciary in 2018 Acts and Resolves No. 11, Sec. C.106(a).~~

EXPLANATION:

This language is incomplete. The remaining \$4 million appropriation from 2018 Acts and Resolves No. 11, Sec. C.106(a), after the \$3 million reduction in Sec. E.204.1, is all statutorily allocated. The language provides no direction as to which allocation should be reduced to pay for a new



Superior Court Judge position, the amount of the reallocation nor does it establish a new allocation for this position.

Sec. E.204.1 2018 (Sp. Sess.) Acts and Resolves No. 11, Sec. C.106, is amended to read:

As described above, the allocations in this section must be amended to account for the directive in Sec. E.204.

Sec. E.215 MILITARY - ADMINISTRATION

(a) The amount of \$1,319,834 shall be ~~disbursed~~ granted to the Vermont Student Assistance Corporation for the National Guard Tuition Benefit Program established in 16 V.S.A. § 2857.

EXPLANATION:

Cash assets are disbursed, but the expenditure for which the spending authority is provided must be accounted for as a grant.

Sec. E.300.5 AGENCY OF HUMAN SERVICES; FISCAL YEAR 2024 CLOSEOUT; COMPREHENSIVE CHILD WELFARE INFORMATION SYSTEM CONTINGENT APPROPRIATION

(a) Notwithstanding Act 87 of 2024, Sec. 103(a), To the extent to which General Fund dollars appropriated to the Agency of Human Services in 2023 Acts and Resolves No. 78, Sec. B.300 remain unexpended at the end of fiscal year 2024, up to \$3,000,000 shall ~~be carried forward~~ revert to the General Fund. A one-time General Fund appropriation in an amount equivalent to this reversion shall be made ~~and appropriated~~ to the Department for Children and Families' Family Services Division for the Comprehensive Child Welfare Information System in fiscal year 2025.

EXPLANATION:

The legislative intent appears to be to revert funds from B.300 and then reappropriate them to a different appropriation for a different purpose. The words “carried forward” are struck since in the Vermont legislative lexicon, this term refers to unused spending authority at fiscal year-end carrying forward within the same appropriation, for expenditure for the same designated purpose, in the following fiscal year.

The notwithstanding of 2024 Act 87, Sec. 103(a) is required since this session law directs unexpended funds in Sec. B.300 at the end of fiscal year to remain in Sec. B.300 for expenditures consistent with this appropriation (as opposed to being reverted and reappropriated to DCF-FSD, as proposed by this section).

If less than \$3,000,000 remains in Sec. B.300 at fiscal year-end, Finance and Management presumes legislative intent is to revert whatever funds remain in B.300, and to reappropriate this amount for the CCWIS purpose. Edits are suggested to facilitate this scenario (which AHS advises is likely to occur).

The addition of the term “Contingent Appropriation” to the section header is suggested for clarity.



Due to uncertainty regarding the availability and the size of an unexpended balance in B.300 at FY 2024 closeout, the Senate might consider an alternative funding mechanism for CCWIS if this project is a legislative priority.

Sec. E.311.1 18 V.S.A. chapter 1, subchapter 2 is amended to read:

Subchapter 2. Health Care Professions; Educational Assistance

* * *

§ 33. UNIVERSITY OF VERMONT COLLEGE OF MEDICINE; MEDICALSTUDENT INCENTIVE SCHOLARSHIP

* * *

(f) Forgivable loans shall be awarded on a rolling basis , provided funds are available, and any funds remaining at the end of a fiscal year shall ~~roll-over~~carry forward and shall be available to the Department of Health and the Corporation in the following fiscal year to award additional forgivable loans as set forth in this section.

§ 36. NURSE FACULTY FORGIVABLE LOAN INCENTIVE PROGRAM

* * *

(g) Forgivable loans shall be awarded on a rolling basis, provided funds are available, and any funds remaining at the end of a fiscal year shall ~~roll-over~~carry forward and shall be available to the Department of Health and the Corporation in the following fiscal year to award additional forgivable loans as set forth in this section.

* * *

§ 38. VERMONT MENTAL HEALTH PROFESSIONAL FORGIVABLE LOAN INCENTIVE PROGRAM

* * *

(h) Forgivable loans shall be awarded on a rolling basis, provided funds are available, and any funds remaining at the end of a fiscal year shall ~~roll-over~~carry forward and shall be available to the Department of Health and the Corporation in the following fiscal year to award additional forgivable loans as set forth in this section.

* * *

§ 39. VERMONT PSYCHIATRIC MENTAL HEALTH NURSE PRACTITIONER FORGIVABLE LOAN INCENTIVE PROGRAM

* * *

(g) Forgivable loans shall be awarded on a rolling basis, provided funds are available, and any funds remaining at the end of a fiscal year shall ~~roll-over~~carry forward and shall be available to the Department of Health and the Corporation in the following fiscal year to award additional forgivable loans as set forth in this section.

EXPLANATION:

Maintain consistent use of budgetary terminology.

Sec. E.313 APPROPRIATION; SUBSTANCE MISUSE PREVENTION



(a) Notwithstanding 32 V.S.A. § 7909, in fiscal year 2025, the \$795,000 Opioid Abatement Special Fund and \$1,410,000 General Fund appropriated to the Department of Health in Secs. B.1100(d)(4) and B.313 of this act shall be for substance misuse prevention. The total \$2,205,000 appropriation shall be granted to Vermont Prevention Lead Organizations to implement evidence-based and trauma-informed substance misuse prevention strategies statewide. The Department shall require, as part of the grant agreement with the Vermont Prevention Lead Organizations, that information on the use of the funds, including the specific activities supported by the funds, a description of the number of people served, and information on the outcomes achieved by this investment, be provided to the Department in an agreed-upon time frame. The Department shall report this information annually, on or before January 10, to the House and Senate Committees on Appropriations, the House Committee on Human Services, and the Senate Committee on Health and Welfare.

EXPLANATION:

Under current law (32 V.S.A. § 7909 as amended by 2022 Act 185, Sec. E.240.2), substance misuse prevention funding is to be provided in an amount equal to thirty percent of the unexpended and unobligated balance of the Cannabis Regulation Fund that is transferred to the General Fund pursuant to 7 V.S.A. § 845(d)(1). Based on this, the FY 2025 Governor’s recommended budget included a \$3 million General Fund appropriation in Sec. B.313 (an increase of \$1,590,000 from the FY 2024 appropriation of \$1,410,000), which aligns with a projected \$10M transfer to the General Fund in Sec. D.101 of the Governor’s proposal. The House increases this transfer to \$12 million but *reduces* the General Fund amount back to \$1,410,000 and makes up for half of this reduction with a \$795,000 appropriation from the Opioid Settlement Special Fund.

The Administration recommends funding Substance Misuse Coalitions using General Funds in an amount equal to thirty percent of the transfer from the Cannabis Regulation Fund, in accordance with current law.

Sec. E.316.1 33 V.S.A. § 3531 is amended to read:

* * *

~~(c) Funds appropriated for this Program shall be used by the The Commissioner to award grants to eligible applicants for the development and expansion of child care options and community programs targeted for youths 14 through 18 years of age. These options may include recreational programs and related equipment or facilities, development or expansion of child care facilities, and community based programs that address specific child care and youth program needs of the applicant region. The Commissioner shall establish by rule, criteria, conditions, and procedures for awarding such grants and administering this Program shall disburse the proceeds of this fund in accordance with the plan developed by the Building Bright Futures Council per 33 V.S.A. § 4603(3) and all applicable administrative bulletins.~~

EXPLANATION:

State agencies and departments are bound by state policies.



Sec. E.317.1 ADOPTION; POST PERMANENCY SERVICES

(a) Any unused ~~funds-[General Fund??]~~ spending authority designated for the purposes described in 2023 Acts and Resolves No. 78, Sec. B.317, not to exceed \$270,234, shall be ~~used~~ reverted in fiscal year 2025 and appropriated for post-permanency adoption services provided by Lund, Easterseals Vermont, and the Northeastern Family Institute of Vermont.

(b) Any unused ~~funds-[General Fund??]~~ spending authority designated for the purposes described in 2023 Acts and Resolves No. 78, Sec. B.317, not to exceed \$446,253, shall be ~~used~~ reverted in fiscal year 2025 and appropriated for services provided to the youth homeless shelter in Saint Albans by Spectrum Youth and Family Services.

EXPLANATION:

The intent of the language is unclear. Is the FY24 spending authority for a new, one-time purpose? If so, it must first revert and then a new appropriation must be established. Or is the intent to carry forward the spending authority in the existing appropriation and designate its use in the base appropriation? To which fund's spending authority does the language refer? Act 78 of 2023, Sec. B.317 appropriates from the General Fund, special funds, federal funds, and the Global Commitment Fund.

Sec. E.321 TEMPORARY EMERGENCY HOUSING

(3) is experiencing a serious short-term medical condition or has been discharged from a health care facility where the individual was being treated for a serious short-term medical condition within the last 30 days;

(j) Of the amount appropriated to implement this section[citation missing], not more than \$839,000 shall be used for security costs.



EXPLANATION:

Clarifying language is required for this section. Specifically:

The definition of “a serious short-term medical condition” is not provided. What does this mean and who makes the determination?

No citation is provided to indicate the section referred to by “of the amount appropriated to implement this section.”

Sec. E.325 DEPARTMENT FOR CHILDREN AND FAMILIES – OFFICE OF ECONOMIC OPPORTUNITY

(a) Of the General Fund appropriation in Sec. B.325 of this act, ~~\$25,747,402~~-\$25,847,402 shall be used by the Department for Children and Families’ Office of Economic Opportunity to issue grants to community agencies assisting individuals experiencing homelessness by preserving existing services, increasing services, or increasing resources available statewide. These funds may be granted alone or in conjunction with federal Emergency Solutions Grants funds. Grant decisions and the administration of funds shall be done in consultation with the U.S. Department of Housing and Urban Development recognized Continuum of Care Program.

EXPLANATION:

\$7,172,174 was moved to E.325, but the amount in language was only increased by \$7,072,174.

Sec. E.326 DEPARTMENT FOR CHILDREN AND FAMILIES – OFFICE OF ECONOMIC OPPORTUNITY – WEATHERIZATION ASSISTANCE

(a) Of the Special Fund appropriation in Sec. B.326 of this act, \$750,000 is for the replacement and repair of home heating equipment.

EXPLANATION:

Additional language is required to clarify intent. Is this a one-time occurrence that should be provided a one-time appropriation, or a new, continuing designation of base funding? If the latter, should this be codified?

Sec. E.338 CORRECTIONS – CORRECTIONAL SERVICES

(a) Notwithstanding 32 V.S.A. § 3709(a), the special funds appropriation of \$152,000 in Sec. B.338 for the supplemental facility payments to Newport and Springfield shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

EXPLANATION:

Appropriation citation is added.



Sec. E.345 18 V.S.A. § 9374(h) is amended to read:

EXPLANATION:

While Finance and Management does not have a technical correction to offer *per se*, there may be an error with the amendment to 18 V.S.A. § 9374(h).

Pursuant to 18 V.S.A. § 9374(h)(1), the Green Mountain Care Board (GMCB) bills Vermont's hospitals for 100% of the expenses incurred by the Commissioner of Health in administering hospital community reports and ambulatory surgical center quality reports under 18 V.S.A. § 9405b (recently \$75,000 per year). Section E.345 of H.883 proposes to eliminate this existing billback authority by striking 18 V.S.A. § 9374(h)(1).

The Green Mountain Care Board reports that if they can no longer collect these funds, it will slowly deplete the GMCB Regulatory and Administrative Fund, as money is appropriated from that fund each year under 18 V.S.A. § 9404(d) to the Department of Health (VDH) for VDH to administer its duties under chapter 221 (including duties specified in 18 V.S.A. § 9405b). The deletion of this billback authority may have been an inadvertent action of the House?

The Green Mountain Care Board proposes to rectify this issue by leaving Sec. E.345 in its current form and adding the deleted billback language to 18 V.S.A. § 9405b in a new section added to H.883. The Board recommends this approach because 18 V.S.A. § 9405b is the statute that describes the activities being funded. It is also consistent with 18 V.S.A. § 9416(c) (describing duties and billback for VDH's contract with the Vermont Program for Quality in Health Care). The Board recommends the following language be added:

Sec. 345.1 18 V.S.A. § 9405b(e) is added to read:

§ 9405b

(e) The Green Mountain Care Board may assess and collect from general hospitals licensed under chapter 43 of this title expenses incurred by the Commissioner of Health in administering Hospital Community Reports and Ambulatory Surgical Center Quality Reports under this section.

Sec. E.504 ADULT EDUCATION AND LITERACY

(a) Of the appropriation in Sec. B.504 of this act, \$3,778,133 General Fund shall be ~~allocated to the Agency of Education for distribution granted~~ to adult education and literacy providers, pursuant to the program established in 16 V.S.A. § 945.

EXPLANATION:

Section B.504 is an appropriation to the Agency of Education and \$3,778,133 is the entire General Fund appropriation; therefore, referencing the Agency of Education is redundant, and using the word "allocated" is confusing, since it implies a portion of the General Fund appropriation is available for alternative uses when it is not.



Sec. E.504.1 EDUCATION – FLEXIBLE PATHWAYS

(a) Notwithstanding any provision of 16 V.S.A. § 4025 to the contrary, of the appropriation in Sec. B.504.1 of this act, \$2,518,755 Education Fund dollars shall be ~~allocated to the Agency of Education for distribution granted~~ to adult education and literacy providers pursuant to the program established in 16 V.S.A. § 945.

(b) Notwithstanding 16 V.S.A. § 4025, of this Education Fund appropriation, the amount of:

(1) \$921,500 is ~~available~~ for dual enrollment programs notwithstanding 16 V.S.A. § 944(f)(2);

(2) \$2,000,000 is ~~available~~ to support the Vermont Virtual High School;

(3) \$400,000 is ~~available~~ for secondary school reform grants; and

(4) \$3,600,000 is ~~available~~ for Early College pursuant to 16 V.S.A. § 4011(e).

(c) Of the appropriation in Sec. B.504 of this act, \$921,500 from the General Fund is ~~available~~ for dual enrollment programs.

EXPLANATION:

Technical edit to reflect spending authority is appropriated to the Agency of Education, not allocated.

The phrase “is available for” is ambiguous. If it is intended to be a directive, the use of the word “shall” is recommended. If this funding is at the Secretary of Education’s discretion, then the use of the word “may” is recommended (i.e. “shall be granted” or “may be granted”).

Sec. E.605 VERMONT STUDENT ASSISTANCE CORPORATION

(a) Of the appropriation in Sec. B.605 of this act, \$25,000 ~~is appropriated from the General Fund to the Vermont Student Assistance Corporation (VSAC) to shall~~ be deposited into the Trust Fund established in 16 V.S.A. § 2845.

(c) Of the appropriated amount remaining after accounting for subsections (a), ~~and (b) and (e)~~ of this section, not less than 93 percent of this appropriation shall be used for direct student aid.

(e) \$1,000,000 ~~of the General Fund appropriated amount remaining after accounting for subsections (a) and (b) of this section, not less than appropriation in Sec. B.605 of this act~~ shall be used to continue the Vermont Trades Scholarship Program in accordance with 2022 Act and Resolves No. 183, Sec. 14 ~~after meeting the obligations of subsections (a) and (b) of this section.~~

EXPLANATION:



Simplify the language in subsections (a) and (e), and correct (c) for amendments.

Sec. F.100 EFFECTIVE DATES

(a) This section and Secs. C.100, C.101, C.103, C.104, C.105, C.106, C.107, ~~C.111~~, C.112, C.113, C.114, and C.115 shall take effect on passage.

~~(d) Sec. E.325.2 shall take effect on July 1, 2025.~~

EXPLANATION:

The reference to C.111 is struck to align with our recommendation to strike C.111 and to instead accomplish the intent of C.111 in Sec. C.101 amending 2023 Act 78, B.1100.

Subsection (d) is struck because it refers to Sec. E.325.2, but no section with this heading is in the bill.

