



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

TO: Kristin Clouser, Secretary of Administration
Agency and Department Heads

FROM: Senator Jane Kitchel, Chair, Senate Appropriations
Representative Diane Lanpher, Chair, House Appropriations

DATE: January 26, 2023

SUBJECT: FY 2024 Budget Testimony before House and Senate Committees on
Appropriations

This memorandum contains guidance to agency and department heads detailing legislative expectations for budget presentations to the House and Senate Appropriations Committees.

The COVID-19 pandemic has changed the way that many departments and agencies provide services and administer programs. In addition to FY 2024 budget information, please be prepared to speak to the budgetary elements where pandemic response is likely to continue to impact operations in FY 2024.

- 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. Please prioritize this in your communications. 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?
- What new initiatives are you proposing in your budget? What programs would you stop operating?
- What programs would you run differently?

As was the case last session, both committees expect to have documents presented electronically, preferably in PDF format. Depending on the format of materials being provided, there may be a need for paper copies.

Evidence-Based Performance Accountability

The Committees on Appropriations and the policy committees remain focused on evidence-based performance accountability. FY 2024 will continue the transition to a budget based upon evidence-based performance accountability. This year, we anticipate an expanded group of programs will be presented in the evidence-based 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 2025, 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 goal is for State leaders, managers, staff, and the public to understand both how public funds are spent in the budget and whether these expenditures are leading to the intended results.

The Appropriations Committees intend to continue the level of focus on programs and performance accountability. In addition, policy committees will be requesting this evidence-based information to evaluate program and policy effectiveness. For each program, please include a 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? And the primary measure(s) you use to assess performance.
2. How well did we do it? And the primary measure(s) you use to assess performance.
3. Is anyone better off? And the primary measure(s) you use to assess performance.

If you use a different evidence-based system than that described above, please include documentation of each program's intended outcomes and the performance measures you use to evaluate them.

For all programs, where possible, please include applicable internal performance goals, the trend direction and scale of change, and any external benchmark or points of comparison you use to contextualize your performance in this program area.

In addition to this evidence-based performance information detailed above, the appendix attached to this memo details the documentation and communication guidance for budget testimony in both the House and Senate Appropriations Committees.

Thank you in advance for your attention to these matters. Please email the staff at the Joint Fiscal Office with any questions related to this guidance.

Senator Jane Kitchel
Chair, Senate Appropriations

Representative Diane Lanpher
Chair, House Appropriations

APPENDIX – DOCUMENTATION FOR BUDGET TESTIMONY

Point Person – The Committees on Appropriations both delegate responsibilities for specific areas of the budget to individual committee members, or subcommittees, 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 both the Point Person and the relevant staff person in a timely manner so they are added to the committee’s permanent budget file.

Each Appropriations Committee Point Person will also be working with the other committees in their respective chamber regarding assigned appropriations/budget areas. The Point Person will track budget issues arising from standing committee deliberations.

Budget Testimony – The commissioner or director of each department should present budget testimony that is brief, concise, and leaves sufficient time for questions and discussion. Budget testimony and supporting materials should relate to the Governor’s recommended budget.

Both Committees on Appropriations have been assigned iPads and most members will be accessing the budget documents electronically. To facilitate committee use of iPads, please submit all budget materials electronically at least five days prior to your scheduled testimony. Please submit your documents as PDF attachments to an e-mail.

Vantage Budget System Reports – 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 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, e.g., “1 of 2”, in the subject line.

The pre-submitted budget documents will be posted on the Joint Fiscal Office website and the committee’s webpage. While testifying before the House and Senate Committees on Appropriations, your budget documents may be presented on the Zoom screen for all to see.

Crosswalk Spreadsheet (i. e., the ups and downs) – Please provide a brief update on the significant changes or initiatives between the FY 2023 and FY 2024 appropriation requests.

Section numbers corresponding with the budget should 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 – Please identify federal funding sources that are or are likely to be reduced or eliminated in FY 2024 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.

If the budget proposal includes funds from recent federal bills such as the American Rescue Plan Act (ARPA), Infrastructure Investment and Jobs Act (IIJA), Bipartisan Safer Communities Act (BSCA) and the Inflation Reduction Act (IRA), please highlight in your budget presentation.

Federal State Fiscal Recovery Funds (SFR) – Agencies and departments are carrying out programs funded with American Rescue Plan Act (ARPA) SFR and Capital Project funds. Be prepared to provide an update on the status of these ARPA programs.

Impact on Vermonters – Policy Impact Assessment – The committees request any policy impact assessments provided to Finance and Management per the Commissioner’s budget instructions dated August 23, 2022. If there are proposals for new initiatives or changes (additions or reductions) included in the budget request that do not have a completed policy impact assessment, please complete one and provide it to the committees.

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 2023 to FY 2024. 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 2022 and the anticipated amount of carry-forward funds available at the end of FY 2023.

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.

HUMAN SERVICES – SPECIFIC REQUEST – Both committees would like more longitudinal data about the populations enrolled in and services provided by the programs that we fund. This includes recent caseload trends, 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 relevant data for factors that relate to program cost and outcome.

QUESTIONS?

Please email the staff at the 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 Appropriations Committees, the Chief and Deputy Fiscal Officers 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

Erin Viera
eviera.leg.state.vt.us

Senate Appropriations Committee

Stephanie Barrett
sbarrett@leg.state.vt.us

Andrea Smith
asmith@leg.state.vt.us

Catherine Benham
cbenham@leg.state.vt.us

Sarah Clark
sclark@leg.state.vt.us