

Capital Budget Adjustment

Fiscal Years 2024 & 2025

Philip B. Scott, Governor

January 23, 2024



An act to appropriate and reallocate capital funds for various purposes and authorize the issuance of bonds.

*Cover photo: The Vermont Department of Public Safety Williston Field Station.
Courtesy of the Vermont Department of Buildings & General Services.*

PHILIP B. SCOTT
GOVERNOR



State of Vermont
OFFICE OF THE GOVERNOR

January 22, 2024

Senate Committee on Appropriations Members
Senate Committee on Institutions Members
House Committee on Appropriations Members
House Committee on Corrections and Institutions Members
115 State Street, Montpelier, VT 05633

Dear Legislators:

In the first year of this biennium, I presented a two-year Capital Budget that appropriated \$203,211,132 from a mix of prior-year capital reallocations, new bonding, and funds from the recently established Capital Expenditure Cash Fund. The Legislature's final bill appropriated \$122,767,376 in bonded dollars and reduced the cash fund appropriations from \$81,185,000 to \$52,210,000 while moving them into the "Big Bill".

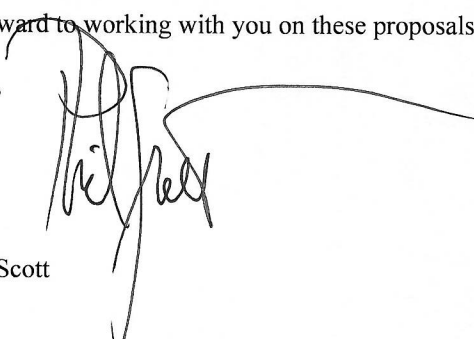
In this second year, I'm presenting a Capital Budget Adjustment that takes advantage of newly available revenue in the amount of \$19,054,746 and restores the \$52,210,000 of cash-funded capital appropriations to the Capital Budget. Both recommendations are in alignment with those of the Capital Debt Affordability Advisory Committee to prudently manage the State's overall debt while continuing to make critical investments in our capital infrastructure.

From the new revenue, \$10,000,000 is needed to fund projects authorized last year from my underlying Capital Budget that the Legislature pushed into this year for funding. Backfilling these projects requires the lion's share of my proposed FY25 Cash Fund transfer, which, in accordance with the statutorily described long-term funding mechanism for the fund, totals \$10,688,747. The remaining available revenue from bond premium, prior-year interest, and reallocations, I'm recommending be used to support current projects facing steep cost increases and to continue making critical investments in our correctional facilities.

Recent years have seen extremely high revenues flow into our State as a result of the infusion of over \$2 billion in federal funds. This year represents a return to normal. In this context, it's even more important that Vermont continues its path to financial autonomy by reducing our reliance on debt to fund capital projects. As such, I will continue to strongly recommend we make the statutorily contemplated annual transfer from the General Fund to the Cash Fund. The benefits to the state are myriad, and we owe it to Vermont taxpayers to take every step we can to minimize the State's long-term fiscal liabilities and corresponding interest payments into the future.

I look forward to working with you on these proposals during this session.

Sincerely,


Philip B. Scott
Governor

cc: Jill Krowinski, Speaker of the House
Philip Baruth, Senate President Pro Tempore

MICHAEL S. PIECIAK
STATE TREASURER

RETIREMENT DIVISION
TEL: (802) 828-2305



UNCLAIMED PROPERTY DIVISION
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STATE OF VERMONT
OFFICE OF THE STATE TREASURER

TO: Governor Phil Scott
Kristin Clouser, Secretary of Administration
Jill Krowinski, Speaker of the House of Representatives
Phil Baruth, Senate President Pro Tempore
Alice Emmons, Chair, House Committee on Corrections and Institutions
Russ Ingalls, Chair, Senate Committee on Institutions
Catherine Benham, Joint Fiscal Office

FROM: Mike Pieciak, Vermont State Treasurer

DATE: September 29, 2023

RE: **Interim** Capital Debt Affordability Advisory Committee Report for 2023

Pursuant to 32 V.S.A. §1001, I am submitting a report on behalf of the Capital Debt Affordability Advisory Committee (“Committee” or “CDAAC”).

Biennium Recommendation

For the FY2024-25 biennium, CDAAC recommended a debt authorization of \$108,000,000, which amount was enacted by the Governor and General Assembly in Act No. 69 of 2023, i.e., the FY2024-25 Capital Act. The Committee also stated in its 2022 report:

“...given the level of volatility and uncertainty, the Committee also discussed the possibility of increasing the second year of the biennial recommendation in next year’s 2023 CDAAC Report.”

The CDAAC is recommending maintaining its current \$108,000,000 biennium recommendation. The committee finds that most of the same economic, workforce, and inflationary conditions persist in the current environment, and that those conditions militate against an increase in the recommendation.

Cash Fund

The General Assembly further developed CDAAC’s recommended Pay-Go model by amending the Capital Expenditure Cash Fund created in 2022 (32 V.S.A. § 1001b) as the Cash Fund for Capital and Essential Investments. Adopting a recommendation of the Commissioner of Finance and Management’s report, the General Assembly also identified as a funding source of four percent (4%) or less of the last completed fiscal year’s General Fund appropriations, less the amount necessary to fund the State’s general obligation debt service in the year the transfer is being made. CDAAC also acknowledges the amendment to 32 V.S.A. § 1001 regarding its debt

recommendation that *“The Committee’s estimate shall not take into consideration the balance remaining at the end of each fiscal year in the subaccounts of the Cash Fund for Capital and Essential Investments, established pursuant to section 1001b of this title.”*

Bond Redemption

With respect to the \$20,000,000 identified for redeeming general obligation bonds prior to maturity, the Treasurer’s Office anticipates completing the associated redemption in the current fiscal year. The Treasurer’s Office also acknowledges that debt service savings from this redemption, and any reductions to debt service generally, automatically will be captured in the above-referenced mechanism for transfers to the Cash Fund for Capital and Essential Investments under § 1001b.

Full Analysis

It should be noted that the delay in publication of the Moody’s Investors Service debt and pension medians prevented a full analysis found in a typical CDAAC report. The Moody’s debt and pension medians report is a critical element in developing state median and peer group analysis, and the delay in availability of the Moody’s report until this week means that the Committee is unable to produce current versions of the customary CDAAC projection models and the full report.

CDAAC and the State traditionally have employed conservative debt load guidelines that are consistent with the metrics that the rating agencies historically have used to measure debt burden. These guidelines include 10-year projections of:

- Debt Per Capita;
- Debt as a Percentage of Personal Income; and
- Debt Service as a Percentage of Revenues.

Additionally, CDAAC has observed that the traditional three debt guidelines have begun to diverge from one another, with the State regularly exceeding its Debt Per Capita benchmark, but complying with both its Debt as a Percentage of Personal Income and Debt Service as a Percentage of Revenue benchmarks. However, the benchmarks as currently structured do not account for the State’s pension and OPEB liabilities, which collectively are significantly larger than the amount of the State’s net tax-supported debt outstanding. Because the rating agencies increasingly are taking a holistic approach that evaluates a state’s overall liabilities when determining ratings, CDAAC believes that its metrics need to be adjusted correspondingly; [should any such adjustments require amendments to CDAAC’s existing statutory charge, CDAAC will propose draft legislation for consideration]. CDAAC also recognizes that this is the second year Moody’s report has been delayed, and should this later availability continue, the Committee may need to recommend a later delivery date for its report that still meets the Governor’s and General Assembly’s required timeline with respect to development of the Capital Bill.

The Committee plans to continue its work over the next several weeks and to reconvene toward the end of October to discuss further and set a delivery date of the full analysis.

FY25 Capital Bill Adjustment

Agency of Administration

A	B	C	D	F	G	H	J	K	L	N	O	P
FY24-FY25 CAPITAL BUDGET				Act 69 As Passed			Governor's Recommend			Gov Rec / As Passed Delta		
Line #	BAA - Act 69 Sec.	Act 69 Section	Agency/Department: Project Description	FY24	FY25	Total	FY24	FY25	Total	FY24	FY25	Total
Section 2: Agency of Administration												
Buildings & General Services												
1		2(b)(1), 2(c)(1)	Statewide: Major Maintenance - Annual Appropriation	8,001,244	8,500,000	16,501,244	8,001,244	8,500,000	16,501,244	-	-	-
2		2(b)(2), 2(c)(2)	Statewide: Physical Security Enhancements	250,000	250,000	500,000	250,000	250,000	500,000	-	-	-
3		2(b)(3), 2(c)(3)	Statewide: Planning, Reuse, and Contingency - Annual Appropriation	425,000	425,000	850,000	425,000	425,000	850,000	-	-	-
4		2(b)(4)	Bennington: Battle Monumnet, construction of safety fencing	500,000	-	500,000	500,000	-	500,000	-	-	-
5		2(b)(5)	Brattleboro: Courthouse, Roof Replacement	2,750,000	-	2,750,000	2,750,000	-	2,750,000	-	-	-
6	2 - 2(c)(4)	2(b)(6), 2 (c)(4)	Middlesex: Therapeutic Community Residence (MCTR), Master Plan, Design and Decommissioning	350,000	400,000	750,000	350,000	350,000	700,000	-	(50,000)	(50,000)
7		2(b)(7), 2(c)(5)	Montpelier: State House, Replacement of Historic Interior Finishes	50,000	50,000	100,000	50,000	50,000	100,000	-	-	-
8		2(b)(8), 2(c)(6)	Montpelier: Statehouse, HVAC Renovations	3,725,000	3,900,000	7,625,000	3,725,000	3,900,000	7,625,000	-	-	-
9		2(b)(9)	Montpelier: 133 State, Renovations for Legislature IT and Shared Common	200,000	-	200,000	200,000	-	200,000	-	-	-
10		2(b)(10)	Newport: Courthouse, Replacement, Planning and Design	750,000	-	750,000	750,000	-	750,000	-	-	-
11	2 - 2(c)(12)	2(b)(11), 2(c)(12)	St. Albans: Northwest State Correctional Facility (NWSCF) Roof Replacement	1,300,000	-	1,300,000	1,300,000	400,000	1,700,000	-	400,000	400,000
12		2(b)(12), 2(c)(8)	St. Johnsbury: Northeast State Correctional Facility (NECRF) - Caledonia Community Work Camp (CCWC), Door Control System Replacement	1,000,000	1,750,000	2,750,000	1,000,000	1,750,000	2,750,000	-	-	-
13		2(b)(13), 2(c)(9)	White River Junction: Courthouse Renovation	2,000,000	4,000,000	6,000,000	2,000,000	4,000,000	6,000,000	-	-	-
14		2(b)(14), 2(c)(10)	Statewide: 3 Acre Parcel stormwater planning, design, construction	1,500,000	1,500,000	3,000,000	1,500,000	1,500,000	3,000,000	-	-	-
15		2(b)(15), 2(c)(11)	Statewide: R22 Refrigerant Phase-Out	250,000	1,000,000	1,250,000	250,000	1,000,000	1,250,000	-	-	-
16		2(b)(16)	Statewide: Art in State Buildings Program	75,000	-	75,000	75,000	-	75,000	-	-	-
17		2(c)(7)	Newport: Northern State Correctional Facility (NSCF) Boiler Replacement, planning and construction	-	3,500,000	3,500,000	-	3,500,000	3,500,000	-	-	-
18												
19	2		Agency of Administration	23,126,244	25,275,000	48,401,244	23,126,244	25,625,000	48,751,244	-	350,000	350,000
20												
21			Section 3: Agency of Human Services									
22		3(a)(1)	DOC: Planning, Design, and Construction for HVAC System Upgrades at Correction Facilities	300,000	-	300,000	300,000	-	300,000	-	-	-
23		3(b)(1)	Northwest State Correction Facility (NWSCF), Booking Expansion, Planning, Design, construction	-	2,500,000	2,500,000	-	2,500,000	2,500,000	-	-	-
24		3(a)(2), 3(b)(2)	DOC: Womens Correctional Facility and Reentry Facility, replacement, planning and design	1,500,000	13,000,000	14,500,000	1,500,000	13,000,000	14,500,000	-	-	-
25	3 - 3(b)(3)	3(b)(3)	DOC: Statewide Correctional Facilities HVAC Upgrades and Replacements	-	700,000	700,000	-	4,590,720	4,590,720	-	3,890,720	3,890,720
26	3 - 3(b)(4)	3(b)(4)	DOC: ADA Compliance					822,000	822,000	-	822,000	822,000
27												
28	3		Agency of Human Services	1,800,000	16,200,000	18,000,000	1,800,000	20,912,720	22,712,720	-	4,712,720	4,712,720
29												
30			Section 4: Commerce and Community Development									
31	4 - 4(a)(1)	4(a)(1)	Major Maintenance at Statewide Historic Sites	500,000	500,000	1,000,000	500,000	700,000	1,200,000	-	200,000	200,000
32		4(a)(2), 4(b)(2)	Vermont Underwater Historic Preserves	46,000	46,000	92,000	46,000	46,000	92,000	-	-	-
33		4(a)(3), 4(b)(3)	Roadside Historic Site Markers	25,000	25,000	50,000	25,000	25,000	50,000	-	-	-
34		4(a)(4), 4(b)(4)	Unmarked Burial Sites	25,000	25,000	50,000	25,000	25,000	50,000	-	-	-
35												
36	4		Commerce and Community Development	596,000	596,000	1,192,000	596,000	796,000	1,392,000	-	200,000	200,000
37												
38			Section 5: Building Communities Grants									
39		5(a)(1), 5(b)(1)	Historic Preservation Grants	300,000	300,000	600,000	300,000	300,000	600,000	-	-	-
40		5(a)(2), 5(b)(2)	Barn Preservation Grants	300,000	300,000	600,000	300,000	300,000	600,000	-	-	-
41		5(a)(3), 5(b)(3)	Cultural Facilities Program	300,000	300,000	600,000	300,000	300,000	600,000	-	-	-
42		5(a)(4), 5(b)(4)	Recreational Facilities Grants: Annual Appropriations	300,000	300,000	600,000	300,000	300,000	600,000	-	-	-
43		5(a)(5), 5(b)(5)	Human Services and Education Facilities: Annual Appropriations: Human	150,000	150,000	300,000	150,000	150,000	300,000	-	-	-
44		5(a)(6), 5(b)(6)	Human Services and Education Facilities: Annual Appropriations: Education	150,000	150,000	300,000	150,000	150,000	300,000	-	-	-

FY25 Capital Bill Adjustment

Agency of Administration

A	B	C	D	F	G	H	J	K	L	N	O	P
FY24-FY25 CAPITAL BUDGET				Act 69 As Passed			Governor's Recommend			Gov Rec / As Passed Delta		
Line #	BA4 - Act 69 Sec.	Act 69 Section	Agency/Department: Project Description	FY24	FY25	Total	FY24	FY25	Total	FY24	FY25	Total
45		5(a)(7), 5(b)(7)	Regional Economic Development Grant Program	300,000	300,000	600,000	300,000	300,000	600,000	-	-	-
46		5(a)(8), 5(b)(8)	Agricultural Fair Capital Projects: Competitive Grants Program	300,000	300,000	600,000	300,000	300,000	600,000	-	-	-
47												
48			Building Communities Grants	2,100,000	2,100,000	4,200,000	2,100,000	2,100,000	4,200,000	-	-	-
49										-	-	-
50			Section 6: Agency of Education									
51		6(a), 6(b)	Funding for emergency projects	50,000	50,000	100,000	50,000	50,000	100,000	-	-	-
52										-	-	-
53			Agency of Education	50,000	50,000	100,000	50,000	50,000	100,000	-	-	-
54										-	-	-
55			Section 7: University of Vermont									
56		7(a), 7(b)	Construction, renovation, and major maintenance	1,600,000	1,500,000	3,100,000	1,600,000	1,500,000	3,100,000	-	-	-
57										-	-	-
58			University of Vermont	1,600,000	1,500,000	3,100,000	1,600,000	1,500,000	3,100,000	-	-	-
59						-				-	-	-
60			Section 8: Vermont State Colleges									
61		8(a), 8(b)	Construction, renovation, and major maintenance	-	1,500,000	1,500,000	-	1,500,000	1,500,000	-	-	-
62						-			-	-	-	-
63			Vermont State Colleges	-	1,500,000	1,500,000	-	1,500,000	1,500,000	-	-	-
64										-	-	-
65			Section 9: Agency of Natural Resources									
66		9(a)(1), 9(d)	DEC: State 20% match to federal EPA DWSRF capitalization grants	174,586	2,207,901	2,382,487	174,586	2,207,901	2,382,487	-	-	-
67		9(a)(2)	DEC: Dam Safety and hydrology projects	500,000	-	500,000	500,000	-	500,000	-	-	-
68		9(b)(1), 9(e)(1)	FPR: Infrastructure Rehabilitation and Improvement, 3 acre rule compliance	3,750,000	3,250,000	7,000,000	3,750,000	3,250,000	7,000,000	-	-	-
69		9(b)(2)	FPR: FY24 Open access recreational infrastructure, and recreational access	768,863	-	768,863	768,863	-	768,863	-	-	-
70		9(c)(1), 9(f)(1)	F&W: General Infrastructure projects, incl. small scale maint and rehab	1,778,632	1,344,150	3,122,782	1,778,632	1,344,150	3,122,782	-	-	-
71		9(c)(2), 9(f)(2)	F&W: Lake Champlain Walleye Association	25,000	25,000	50,000	25,000	25,000	50,000	-	-	-
72		9(e)(2)	FPR: FY25 Open access recreational infrastructure, and forest park access	-	670,000	670,000	-	670,000	670,000	-	-	-
73										-	-	-
74			Agency of Natural Resources	6,997,081	7,497,051	14,494,132	6,997,081	7,497,051	14,494,132	-	-	-
75										-	-	-
76			Section 10: Clean Water									
77			Agency of Agriculture, Food & Markets									
78	5 - 10(e)	10(a), 10(e)	Water Quality Grants	2,202,019	-	2,202,019	2,202,019	550,000	2,752,019	-	550,000	550,000
79			Agency of Natural Resources - Department of Environmental									
80	5 - 10(f)(1)	10(b)(1), 10(f)(1)	Clean Water State Revolving Fund - CWSRF	332,981	-	332,981	332,981	1,600,000	1,932,981	-	1,600,000	1,600,000
81	5 - 10(f)(2)	10(b)(2), 10(f)(2)	Municipal Pollution Control Grants	4,000,000	-	4,000,000	4,000,000	3,300,000	7,300,000	-	3,300,000	3,300,000
82			Agency of Natural Resources - Forest, Parks and Recreation									
83	5 - 10(g)	10(c), 10(g)	Forestry Access Road Water Quality Improvements	550,000	-	550,000	550,000	550,000	1,100,000	-	550,000	550,000
84			Vermont Housing and Conservation Board									
85		10(d)(1)(A)	Agricultural Water Quality Projects	800,000	-	800,000	800,000	-	800,000	-	-	-
86		10(d)(1)(B)	Land Conservation and Water Quality Projects	2,000,000	-	2,000,000	2,000,000	-	2,000,000	-	-	-
87	5 - 10(e)	10(e) Deleted	Clean Water FY 2025 Request	-	6,000,000	6,000,000	-	-	-	-	(6,000,000)	(6,000,000)
88										-	-	-
89			Clean Water	9,885,000	6,000,000	15,885,000	9,885,000	6,000,000	15,885,000	-	-	-
90										-	-	-
91			Section 11: Military									
92		11(a), 11(b)	Maintenance, renovations, and ADA compliance at State armories	1,251,000	1,064,000	2,315,000	1,251,000	1,064,000	2,315,000	-	-	-
93										-	-	-
94			Military	1,251,000	1,064,000	2,315,000	1,251,000	1,064,000	2,315,000	-	-	-
95										-	-	-
96			Section 12: Agency of Agriculture, Food & Markets									
97		12(a), 12(b)(2)	Vermont Building at the Eastern States Exposition (Big E)	1,200,000	1,040,000	2,240,000	1,200,000	1,040,000	2,240,000	-	-	-
98		12(b)(1)	Vermont Agriculture and Environmental Laboratory Heat Plant		1,500,000	1,500,000		1,500,000	1,500,000	-	-	-

FY25 Capital Bill Adjustment

Agency of Administration

A	B	C	D	F	G	H	J	K	L	N	O	P
FY24-FY25 CAPITAL BUDGET				Act 69 As Passed			Governor's Recommend			Gov Rec / As Passed Delta		
Line #	BAA - Act 69 Sec.	Act 69 Section	Agency/Department: Project Description	FY24	FY25	Total	FY24	FY25	Total	FY24	FY25	Total
99												
100			Agency of Agriculture	1,200,000	2,540,000	3,740,000	1,200,000	2,540,000	3,740,000	-	-	-
101												
102			Section 13: Vermont Rural Fire Protection									
103		13(a), 13(b)	Dry Hydrant Program- Continue Program Grants: Annual Appropriations	125,000	125,000	250,000	125,000	125,000	250,000	-	-	-
104												
105			Vermont Rural Fire Protection	125,000	125,000	250,000	125,000	125,000	250,000	-	-	-
106												
107			Section 14: Vermont Housing and Conservation Board									
108		14(a), 14(b)	Vermont Housing & Conservation Board	1,800,000	1,800,000	3,600,000	1,800,000	1,800,000	3,600,000	-	-	-
109												
110			Vermont Housing and Conservation Board	1,800,000	1,800,000	3,600,000	1,800,000	1,800,000	3,600,000	-	-	-
111												
112			Section 15: Vermont Veterans Home									
113		15(a)	BGS: Veterans' Home maintenance	260,000	-	260,000	260,000	-	260,000	-	-	-
114		15(b)(1)	Emergency Generator & Boiler Plant Replacement	4,500,000	-	4,500,000	4,500,000	-	4,500,000	-	-	-
115		15(b)(2)	Elevator Upgrade	1,000,000	-	1,000,000	1,000,000	-	1,000,000	-	-	-
116		15(b)(3)	Resident Care Furnishings and Security Systems	230,000	-	230,000	230,000	-	230,000	-	-	-
117												
118			Vermont Veterans Home	5,990,000	-	5,990,000	5,990,000	-	5,990,000	-	-	-
119												
120			Section 15a: Department of Labor									
121	6 - 15a	15a	VDOL: 5 Green Mountain Drive Facility Upgrades				-	1,540,000	1,540,000	-	1,540,000	1,540,000
122												
123			Department of Labor				-	1,540,000	1,540,000	-	1,540,000	1,540,000
124												
125												
126												
127			TOTAL - CAPITAL PROJECTS	56,520,325	66,247,051	122,767,376	56,520,325	73,049,771	129,570,096	-	6,802,720	6,802,720
128												
129			Section 16: Reallocations & Transfers									
130	7 - 16(a)(1)	16(a)(1)	BGS - 1204000023 - Veterans' Home, replace nurse call system Various	14,669	-	14,669	14,669	7,208	21,877	-	7,208	7,208
131	7 - 16(a)(2)	16(a)(2)	BGS - 1305100022 - Veterans' Home kitchen upgrade Various Proj 51/2(b)	13,523	-	13,523	13,523	9,606	23,129	-	9,606	9,606
132		16(a)(3)	BGS - 1305100022 - Various Projects 13	365	-	365	365	-	365	-	-	-
133		16(a)(4)	BGS - 1405100175 - Vets' Home kitchen renovation and mold remediate	21,494	-	21,494	21,494	-	21,494	-	-	-
134	7 - 16(a)(5)	16(a)(5)	BGS - 1502600022 - Various Projects 15	65,463	-	65,463	65,463	81,743	147,206	-	81,743	81,743
135		16(a)(6)	BGS - 1602600023 - 108 Cherry Garage	134,937	-	134,937	134,937	-	134,937	-	-	-
136	7 - 16(a)(7)	16(a)(7)	BGS - 1602600023 - Major Maintenance 16	93,549	-	93,549	93,549	23,122	116,671	-	23,122	23,122
137		16(a)(8)	BGS - 1602600097 - F&W Roxbury Fish Hatchery 16	6,175	-	6,175	6,175	-	6,175	-	-	-
138	7 - 16(a)(9)	16(a)(9)	BGS - 1708400210 - 108 Cherry Garage	1,736,257	-	1,736,257	1,736,257	38,525	1,774,782	-	38,525	38,525
139	7 - 16(a)(10)	16(a)(10)	BGS - 1808400230 - Various Projects	24,363	-	24,363	24,363	452,363	476,726	-	452,363	452,363
140		16(a)(11)	BGS - 1708400614 - Rec Facilities Grants	14,833	-	14,833	14,833	-	14,833	-	-	-
141		16(a)(12)	BGS - 1708401620 - Vets' Home kitchen renovation and mold remediate	209,534	-	209,534	209,534	-	209,534	-	-	-
142	7 - 16(a)(13)	16(a)(13)	BGS - 2004200230 - Major Maint	32,780	-	32,780	32,780	407,110	439,890	-	407,110	407,110
143		16(a)(14)	BGS - 2004200230 - 108 Cherry Garage	6,944,999	-	6,944,999	6,944,999	-	6,944,999	-	-	-
144		16(a)(15)	BGS - 2105000220 - 108 Cherry Garage	3,100,000	-	3,100,000	3,100,000	-	3,100,000	-	-	-
145		16(a)(16)	BGS - 2205000230 - 108 Cherry Garage	1,940,000	-	1,940,000	1,940,000	-	1,940,000	-	-	-
146	7 - 16(a)(17)		BGS - 1904200220 - Various Projects	-	-	-	-	26,952	26,952	-	26,952	26,952
147		16(b)	AHS - 2004200335 - Green House Relocation	26,132	-	26,132	26,132	-	26,132	-	-	-
148		16(c)	AOE - 5100992001 - Emergency Projects	34,761	-	34,761	34,761	-	34,761	-	-	-
149		16(d)	DEC - 6140991809 - Municipal Pollution Control Grants	64,628	-	64,628	64,628	-	64,628	-	-	-
150		16(e)(1)	FPR - 6130991701 - Infrastructure Rehab	219	-	219	219	-	219	-	-	-
151		16(e)(2)	FPR - 6130991801 - Infrastructure Rehab	1,866	-	1,866	1,866	-	1,866	-	-	-
152		16(e)(3)	FPR - 6130991901 - Infrastructure Rehab	33,639	-	33,639	33,639	-	33,639	-	-	-
153		16(e)(4)	FPR - 6130992001 - Infrastructure Rehab	16,043	-	16,043	16,043	-	16,043	-	-	-
154		16(e)(5)	FPR - 6130991903 - Forestry Skidder Bridges	3,600	-	3,600	3,600	-	3,600	-	-	-

FY25 Capital Bill Adjustment

Agency of Administration

A	B	C	D	F	G	H	J	K	L	N	O	P
FY24-FY25 CAPITAL BUDGET				Act 69 As Passed			Governor's Recommend			Gov Rec / As Passed Delta		
Line #	BAA - Act 69 Sec.	Act 69 Section	Agency/Department: Project Description	FY24	FY25	Total	FY24	FY25	Total	FY24	FY25	Total
155		16(f)	Sgt at Arms - 1230991902 - Committee room chairs	2,006	-	2,006	2,006	-	2,006	-	-	-
156		16(g)(1)	VVH - 3300991701 - Resident Care Furnishings	88,835	-	88,835	88,835	-	88,835	-	-	-
157		16(g)(2)	VVH - 3300991801 - Resident Care Furnishings	49,914	-	49,914	49,914	-	49,914	-	-	-
158		16(g)(3)	VVH - 3300991802 - Security, Safety, and Access Systems	92,794	-	92,794	92,794	-	92,794	-	-	-
159	7 - 16(h)	16(h)	Office of the State Treasurer - 1260120000 - Bond Issuance Costs					1,148,252	1,148,252		1,148,252	1,148,252
160												
161			Total Reallocations/Transfers FY 2024/2025	14,767,376	-	14,767,376	14,767,376	2,194,881	16,962,257	-	2,194,881	2,194,881
162												
163			Section 17: General Obligation Bonds									
164	8 - 17(a)	17(a)	Capital Borrowing: GO Bonding	108,000,000	-	108,000,000	108,000,000	-	108,000,000	-	-	-
165	8 - 17(b)	17(b)	FY24 Bond Premium					5,247,839	5,247,839			
166			Total	108,000,000	-	108,000,000	108,000,000	5,247,839	113,247,839	-	5,247,839	5,247,839
167												
168			TOTAL GENERAL OBLIGATION FUNDS AVAILABLE	122,767,376	-	122,767,376	122,767,376	7,442,719	130,210,095	-	7,442,719	7,442,719
169												
170			SUMMARY OF GENERAL OBLIGATION FUNDS									
171			Total Spending	56,520,325	66,247,051	122,767,376	56,520,325	73,049,771	129,570,096	-	6,802,720	6,802,720
172			Revenues Available	122,767,376	66,247,051	122,767,376	122,767,376	73,689,770	130,210,095	-	7,442,719	7,442,719
173			Remaining Revenue at EOFY	66,247,051	-	-	66,247,051	640,000	640,000	-	640,000	640,000
174												
175		<i>End of capital</i>										
176			Section 18: Cash Fund for Capital and Essential Investments									
177	8 - 18(b)(1), 18(e)(1)	18(e)(1), 18(d)(1)	BGS: Reuse, planning, and contingency	400,000	250,000	650,000	400,000	250,000	650,000	-	-	-
178	8 - 18(b)(2), 18(e)(2)	18(e)(2)	BGS: Barre: McFarland Re-roof and Brick Façade Repair	1,700,000	-	1,700,000	1,700,000	1,000,000	2,700,000	-	1,000,000	1,000,000
179	8 - 18(b)(3), 18(e)(3)	18(e)(3), 18(d)(2)	BGS: Burlington, 32 Cherry, parking garage repairs	135,000	2,300,000	2,435,000	135,000	2,300,000	2,435,000	-	-	-
180	8 - 18(b)(4)	18(e)(4)	BGS: Middlesex: Central Services, Roof Replacement	1,000,000	-	1,000,000	1,000,000	-	1,000,000	-	-	-
181	8 - 18(b)(5)	18(e)(5)	BGS: Montpelier: Statehouse expansion, design documents	150,000	-	150,000	150,000	-	150,000	-	-	-
182	8 - 18(b)(6), 18(e)(4)	18(e)(6), 18(d)(3)	BGS: Montpelier 120 State Street - HVAC - Steam Lines Interior Renovation	1,000,000	2,000,000	3,000,000	1,000,000	2,000,000	3,000,000	-	-	-
183	8 - 18(b)(7)	18(e)(7)	BGS: Newport Northern State Correctional Facility (NSCF) Boiler Replacement, planning	600,000	-	600,000	600,000	-	600,000	-	-	-
184	8 - 18(b)(8)	18(e)(8)	BGS: Pittsford Academy - Administration Building, West Cottage, and	750,000	-	750,000	750,000	-	750,000	-	-	-
185	8 - 18(b)(9)	18(e)(9)	BGS - AHS: NWSCF Booking Expansion	600,000	-	600,000	600,000	-	600,000	-	-	-
186	8 - 18(b)(10)	18(e)(10)	BGS - AHS: DCF Short-Term Secure Stabilization Facility	1,000,000	-	1,000,000	1,000,000	-	1,000,000	-	-	-
187	8 - 18(b)(11), 18(e)(5)	18(e)(11), 18(d)(4)	BGS - Judiciary: Washington County Superior Court Renovations	750,000	1,000,000	1,750,000	750,000	1,000,000	1,750,000	-	-	-
188	8 - 18(b)(12), 18(e)(6)	18(e)(12), 18(d)(5)	BGS - DPS: Special Teams Facilities and Storage	250,000	1,000,000	1,250,000	250,000	1,000,000	1,250,000	-	-	-
189	8 - 18(b)(13), 18(e)(7)	18(e)(13), 18(d)(6)	BGS - DPS: Rutland Field Station	250,000	1,000,000	1,250,000	250,000	1,000,000	1,250,000	-	-	-
190	8 - 18(b)(14)	18(e)(14)	BGS - AAFM: VT Agricultural and Environmental Laboratory Heat Plant	300,000	-	300,000	300,000	-	300,000	-	-	-
191	8 - 18(b)(15)	18(e)(15)	BGS: Electric vehicle charging stations	1,000,000	-	1,000,000	1,000,000	-	1,000,000	-	-	-
192	8 - 18(b)(16)	18(e)(16)	ANR: Municipal pollution control grants	4,000,000	-	4,000,000	4,000,000	-	4,000,000	-	-	-
193	8 - 18(b)(17)	18(e)(17)	ANR: Maintenance facilities at Gifford Woods and Groton	3,000,000	-	3,000,000	3,000,000	-	3,000,000	-	-	-
194	8 - 18(b)(18)	18(e)(18)	ANR: Fish and Wildlife major maintenance	800,000	-	800,000	800,000	-	800,000	-	-	-
195	8 - 18(c)(1)	18(e)(17)	ANR: State match for IJA clean water and drinking water state revolving	9,800,000	-	9,800,000	9,800,000	-	9,800,000	-	-	-
196	8 - 18(c)(2)	18(e)(18)	ANR: Waterbury dam rehabilitation	4,500,000	-	4,500,000	4,500,000	-	4,500,000	-	-	-
197	8 - 18(c)(3)	18(e)(16)	VT State Colleges: Major maintenance, transformation planning, planning, design, construction of Green Hall and Vail Hall	7,500,000	-	7,500,000	7,500,000	-	7,500,000	-	-	-
198	8 - 18(c)(4)	Act 78 B.1105(b)(4)	DMH: Psychiatric youth inpatient facility				9,225,000		9,225,000	9,225,000	-	9,225,000
199	8 - 18(d)(1)	Act 78 B.1105(d)(6)	AOT: St Albans Garage Replacement				3,500,000		3,500,000	3,500,000	-	3,500,000
200	8 - 18(e)(8)	18(d)(7)	VT Veteran's Home: Brandon & Cardinal renovation - design work	-	1,500,000	1,500,000	-	1,500,000	1,500,000	-	-	-
201	8 - 18(e)(9)	18(d)(8)	BGS: Newport courthouse replacement - planning and design	-	500,000	500,000	-	500,000	500,000	-	-	-
202	8 - 18(e)(10)	18(d)(9)	BGS: Montpelier 133-109 State - Planning for tunnel waterproofing/Aiken	-	250,000	250,000	-	250,000	250,000	-	-	-
203	8 - 18(e)(11)	18(d)(10)	BGS: Montpelier 111 State - Renovation of Stack Area, HVAC Upgrades, and	-	200,000	200,000	-	200,000	200,000	-	-	-
204	8 - 18(e)(12)		DOC: Statewide Correctional Facilities HVAC Upgrades and Replacements	-	-	-	-	562,026	562,026	-	562,026	562,026
205												
206			CASH FUND FOR CAPITAL AND ESSENTIAL INVESTMENTS	39,485,000	10,000,000	49,485,000	52,210,000	11,562,026	63,772,026	12,725,000	1,562,026	14,287,026

No. XX An act relating to capital construction and State bonding budget adjustment.

The Governor of Vermont proposes to the General Assembly the following amendments to No. 69 of the acts of 2023.

Sec. 1. 2023 Acts and Resolves No. 69, Sec. 1 is amended to read:

Sec. 1. LEGISLATIVE INTENT

- (a) It is the intent of the General Assembly that of the ~~\$122,767,376.00~~ \$129,570,096.00 authorized in Sections 2-15a of this act, not more than \$56,520,325.00 shall be appropriated in the first year of the biennium, and the remainder shall be appropriated in the second year.

Sec. 2. 2023 Acts and Resolves No. 69, Sec. 2 is amended to read:

Sec. 2. STATE BUILDINGS

- (c) The following sums are appropriated in FY 2025:

- (4) Middlesex, Middlesex Therapeutic Community Residence, master plan, design, and decommissioning: ~~\$400,000.00~~ \$350,000.00

- (12) St. Albans, Northwest State Correctional Facility, roof replacement: \$400,000.00

Appropriation – FY 2024	\$23,126,244.00
Appropriation – FY 2025	\$25,275,000.00 <u>\$25,625,000.00</u>
Appropriation – Total	\$48,401,244.00 <u>\$48,751,244.00</u>

Sec. 3. 2023 Acts and Resolves No. 69, Sec. 3 is amended to read:

Sec. 3. HUMAN SERVICES

- (b) The following sums are appropriated in FY 2025 to the Department of Buildings and General Services for the Agency of Human Services for the following projects described in

this subsection:

(1) Northwest State Correctional Facility, booking expansion, planning, design, and construction:	\$2,500,000.00
(2) Women's correctional facility and reentry facility, replacement, planning and design:	\$13,000,000.00
(3) Statewide, correctional facilities, HVAC systems, planning, design, and construction for upgrades and replacements:	\$700,000.00 <u>\$4,590,720.00</u>
(4) <u>Statewide, correctional facilities, accessibility upgrades:</u>	<u>\$822,000.00</u>

Appropriation – FY 2024	\$1,800,000.00
Appropriation – FY 2025	\$16,200,000.00 <u>\$20,912,720.00</u>
Appropriation – Total	\$18,000,000.00 <u>\$22,712,720.00</u>

Sec. 4. 2023 Acts and Resolves No. 69, Sec. 4 is amended to read:

Sec. 4. COMMERCE AND COMMUNITY DEVELOPMENT

(b) The following sums are appropriated in FY 2025 to the to the Agency of Commerce and Community Development for the following projects described in this subsection:

(1) Major Maintenance at statewide historic sites:	\$500,000.00 <u>\$700,000.00</u>
(2) Underwater preserves:	\$46,000.00
(3) Placement and replacement of roadside historic markers:	\$25,000.00
(4) Unmarked Burial Sites - Special Fund:	\$25,000.00

Appropriation – FY 2024	\$596,000.00
Appropriation – FY 2025	\$596,000.00 <u>\$796,000.00</u>
Appropriation – Total	\$1,192,000.00 <u>\$1,392,000.00</u>

Sec. 5. 2023 Acts and Resolves No. 69, Sec. 10 is amended to read:

Sec. 10. CLEAN WATER INITIATIVES

(e) ~~The sum of \$6,000,000.00 is appropriated in FY 2025 to the Agency of Natural Resources~~

~~for the Department of Environmental Conservation for clean water implementation projects. The sum of \$550,000.00 is appropriated in FY 2025 to the Agency of Agriculture, Food and Markets for water quality grants and contracts.~~

~~(f) On or before December 1, 2023:~~

~~(1) The Clean Water Board shall review and recommend Clean Water Act implementation programs funded from subsection (e) of this section.~~

~~(2) The Board shall submit a report with the list of programs recommended for FY 2025 to the Chairs of the House Committee on Corrections and Institutions and the Senate Committee on Institutions and to the Governor for the FY 2024 capital budget adjustment report. The report shall include a recommendation on whether there are any other funding sources that may be used for municipal pollution control grants in FY 2025. The following sums are appropriated in FY 2025 to the Agency of Natural Resources for the following projects:~~

~~(1) the Clean Water State/EPA Revolving Loan Fund (CWSRF) match for the Water Pollution Control Fund: \$1,600,000.00~~

~~(2) municipal pollution control grants: \$3,300,000.00~~

~~(g) The sum of \$550,000.00 is appropriated in FY 2025 to the Agency of Natural Resources for the Department of Forests, Parks & Recreation for forestry access roads, recreation access roads, and water quality improvements.~~

~~(g)-(h) In FY 2024 and FY 2025, any agency that receives funding from this section shall consult with the State Treasurer to ensure that the projects are capital eligible.~~

Sec. 6. 2023 Acts and Resolves No. 69, Sec. 15a is added to read:

Sec. 15a. DEPARTMENT OF LABOR

(a) The sum of \$1,540,000.00 is appropriated in FY 2025 to the Department of Buildings and General Services for the Department of Labor for upgrades of mechanical systems and HVAC, life safety needs, and minor interior renovations at 5 Green Mountain Drive in Montpelier.

Appropriation – FY 2025 \$1,540,000.00

Total Appropriation – Section 15a \$1,540,000.00

Sec. 7. 2023 Acts and Resolves No. 69, Sec. 16 is amended to read:

Sec. 8. 2023 Acts and Resolves No. 69, Sec. 17 is amended to read:

Sec 17. GENERAL OBLIGATION BONDS AND APPROPRIATIONS

(a) The State Treasurer is authorized to issue general obligation bonds in the amount of \$108,000,000.00 for the purpose of funding the appropriations made in Sections 2-15a of this act. The State Treasurer, with the approval of the Governor, shall determine the appropriate form and maturity of the bonds authorized by this section consistent with the underlying nature of the appropriation to be funded. ~~The State Treasurer shall allocate the estimated cost of bond issuance or issuances to the entities to which funds are appropriated pursuant to this section and for which bonding is required as the source of funds, pursuant to 32 V.S.A. § 954.~~

(b) The State Treasurer is authorized to issue additional general obligation bonds in the amount of \$5,247,838.90 that were previously appropriated but unissued under 2023 Acts and Resolves No. 69 for the purposes of funding the appropriations in this act.

Sec. 9. 2023 Acts and Resolves No. 69, Sec. 18 deleted in its entirety and is replaced with the following:

Sec. 18 CASH FUND FOR CAPITAL AND ESSENTIAL INVESTMENTS – FY 2024 AND FY 2025 CAPITAL APPROPRIATIONS

(a) Findings. The General Assembly finds that in addition to the issuance of general obligation bonds, eligible capital projects may be funded from the Cash Fund for Capital and Essential Investments established in 32 V.S.A. § 1001b.

(b) In fiscal year 2024, \$17,685,000 is appropriated from the Capital Infrastructure subaccount in the Cash Fund for Capital and Essential Investments for the following projects:

(1) \$400,000.00 to the Department of Buildings and General Services for planning, reuse, and contingency;

(2) \$1,700,000.00 to the Department of Buildings and General Services for roof replacement and brick façade repairs at the McFarland State Office Building in Barre;

(3) \$135,000.00 to the Department of Buildings and General Services for 32 Cherry Street, parking garage repairs;

(4) \$1,000,000.00 to the Department of Buildings and General Services for roof replacement at the Central Services complex in Middlesex;

(5) \$150,000.00 to the Department of Buildings and General Services for design documents for the State House expansion in Montpelier;

(6) \$1,000,000.00 to the Department of Buildings and General Services for the renovation of the interior HVAC steam lines at 120 State Street;

(7) \$600,000.00 to the Department of Buildings and General Services for planning for the boiler replacement at the Northern State Correctional Facility in Newport;

(8) \$750,000.00 to the Department of Buildings and General Services for planning for renovations to the administration building, West Cottage, at the Criminal Justice Training Council in Pittsford;

(9) \$600,000 to the Department of Buildings and General Services for the Agency of Human Services for the planning and design of the booking expansion at the Northwest State Correctional Facility;

(10) \$1,000,000 to the Department of Buildings and General Services for the Agency of Human Services for the planning and design of the Department for Children and Families' short-term stabilization facility;

(11) \$750,000 to the Department of Buildings and General Services for the Judiciary for renovations at the Washington County Superior Courthouse in Barre;

(12) \$250,000 to the Department of Buildings and General Services for the Department of Public Safety for the planning and design of the Special Teams Facility and Storage;

(13) \$250,000 to the Department of Buildings and General Services for the Department of Public Safety for the planning and design of the Rutland Field Station;

(14) \$300,000 to the Department of Buildings and General Services for the Agency of Agriculture, Food and Markets for the planning and design of the Vermont Agriculture and Environmental Laboratory Heat Plant;

(15) \$1,000,000 to the Department of Buildings and General Services for electric vehicle charging stations at State buildings;

(16) \$4,000,000 to the Agency of Natural Resources for the Department of Environmental Conservation for the Municipal Pollution Control Grants for pollution control projects and planning advances for feasibility studies;

(17) \$3,000,000 to the Agency of Natural Resources for the Department of Forests, Parks and Recreation for the maintenance facilities at the Gifford Woods State Park and Groton State Forest; and

(18) \$800,000.00 to the Agency of Natural Resources for the Department of Fish and Wildlife for infrastructure maintenance and improvements of the Department's buildings, including conservation camps.

(c) In fiscal year 2024, \$31,025,000 is appropriated from the Other Infrastructure, Essential Investments, and Reserves subaccount in the Cash Fund for Capital and Essential Investments for the following projects. This funding is provided by the General Fund transfer in 2023 Acts and Resolves No. 78 Sec. D.101.

(1) \$9,800,000 is appropriated to the Agency of Natural Resources for the Department of Environmental Conservation for the State match to the Infrastructure Investment and Jobs Act for the Drinking Water State Revolving Fund and the Clean Water State Revolving Fund;

(2) \$4,500,000 is appropriated to the Agency of Natural Resources for the Department of Environmental Conservation for the Waterbury Dam rehabilitation;

(3) \$7,500,000 is appropriated to the Vermont State Colleges for construction, renovation, and major maintenance at any facility owned or operated in the State by the Vermont State Colleges; infrastructure transformation planning; and the planning, design, and construction of Green Hall and Vail Hall; and

(4) \$9,225,000 is appropriated to the Department of Mental Health for construction of a psychiatric youth inpatient facility in the State.

(d) In fiscal year 2024, to the extent funds are available from transfers made in 2023 Acts and Resolves No. 78 Sec. C.109, after the appropriations identified in 2023 Acts and Resolves No. 78 Sec. B.1105(b) as may be amended by the General Assembly, and before the appropriation identified in 2023 Acts and Resolves No. 81 Sec. 7(a), the following project shall receive an appropriation from the Other Infrastructure, Essential Investments, and Reserves subaccount in the Cash Fund for Capital and Essential Investments:

(1) \$3,500,000 is appropriated to the Agency of Transportation for the Saint Albans garage replacement project.

(e) Sec. In Fiscal Year 2025, \$11,562,026 is appropriated from the Capital Infrastructure subaccount in the Cash Fund for Capital and Essential Investments for the following projects:

(1) \$250,000.00 to the Department of Buildings and General Services for planning, reuse, and contingency;

(2) \$1,000,000.000 to the Department of Buildings and General Services for roof replacement and brick façade repairs at the McFarland State Office Building in Barre;

(3) \$2,300,000.00 to the Department of Buildings and General Services for parking garage repairs at 32 Cherry Street in Burlington;

(4) \$2,000,000.00 to the Department of Buildings and General Services for the renovation of the interior HVAC steam lines at 120 State Street in Montpelier;

(5) \$1,000,000.00 to the Department of Buildings and General Services for the Judiciary for renovations at the Washington County Superior Courthouse in Barre;

(6) \$1,000,000.00 to the Department of Buildings and General Services for the Department of Public Safety for the planning and design of the Special Teams Facility and Storage;

(7) \$1,000,000.00 to the Department of Buildings and General Services for the Department of Public Safety for the planning and design of the Rutland Field Station;

(8) \$1,500,000.00 to the Vermont Veterans' Home for design for the renovation of the Brandon and Cardinal units;

(9) \$500,000.00 to the Department of Buildings and General Services for the Newport courthouse replacement, planning, and design;

(10) \$250,000.00 to the Department of Buildings and General Services for planning for the 133-109 State Street tunnel waterproofing and Aiken Avenue reconstruction;

(11) \$200,000.00 to the Department of Buildings and General Services for the renovation of the stack area, HVAC upgrades, and the elevator replacement at 111 State Street; and

(12) \$562,026.00 to the Department of Buildings and General Services for the Agency of Human Services for statewide, correctional facilities, HVAC systems, planning, design, and construction for upgrades and replacements.

(f) If a project described in this section has received an appropriation prior to the effective date of this act and is not in compliance with the requirements of 29 V.S.A. § 161, then the project shall not be subject to the requirements of 29 V.S.A. § 161 if any of the following apply as of the effective date of this act:

(1) the project has been invited or advertised for bid;

(2) the project is under contract; or

(3) the funds are obligated.

Sec. **XX**. 2023 Acts and Resolves No. 69, Sec. 22 is amended to read:

Sec. 22. SALE OF PROPERTIES

(c) 108 Cherry Street. Notwithstanding 29 V.S.A. § 166(b), the Commissioner of Buildings and General Services is authorized to sell the property located at 108 Cherry Street in the City of Burlington. The Commissioner shall first offer in writing to the City the right to purchase the property.

(1) The City's preferential right to purchase the property authorized in this subsection shall terminate unless the City submits a written notification to the Commissioner of its intent to purchase the property on or before October 15, 2023.

(2) If the City submits a notification of its intent to purchase the property pursuant to subdivision (1) of this subsection, the City shall submit a written offer to the Commissioner on or before April 1, 2024. In the event the City fails to submit a written offer on or before April 1, 2024, the City's preferential right to purchase the property shall terminate and the Commissioner is authorized to sell the property to another party.

(3) Notwithstanding 29 V.S.A. § 166(d) and 29 V.S.A. §160, of the proceeds received by the State for the sale of the property located at 108 Cherry Street in the City of Burlington, \$6,242,500.00 shall be deposited into the Property Management Fund (58700) to recover the deficit incurred in the fund as a result of the original purchase of the property and, notwithstanding 29 V.S.A. §168,(c), \$293,735.63 shall be deposited into the State Energy Revolving Fund (59700) to repay debt outstanding to for loans for energy improvement projects on the property.

Sec. **XX**. 32 V.S.A. §1001b is amended to read:

§ 1001b. Cash fund for Capital and Essential Investments

(a) Creation. There is hereby created the Cash Fund for Capital and Essential Investments to be administered by the Commissioner of Finance and Management, in consultation with the State Treasurer. The Fund shall have the following two subaccounts:

(1) the Capital Infrastructure subaccount, to defray the costs of future capital expenditures that would otherwise be authorized in the capital construction act and paid for using the State's general obligation bonding authority and debt service obligations or paid for as a direct associated cost of a capital project; and

(2) the Other Infrastructure, Essential Investments, and Reserves subaccount, to fund essential investments and infrastructure needs, create reserves for these expenditures and make contingent appropriations for other infrastructure investments, as authorized by the General Assembly.

(b) Fund Accounts.

(1) Capital Infrastructure subaccount. The Capital Infrastructure subaccount ~~may~~ shall consist of:

(A) annual transfers made by the General Assembly of four percent ~~or less~~ of the last completed fiscal year's General Fund appropriations, less the amount necessary to fund the State's general obligation debt service in the year for which the transfer is being made, as determined by the State Treasurer and the Commissioner of Finance and Management at the time of budget preparation; and

(B) any interest earned by the subaccount.

(2) Other Infrastructure, Essential Investments, and Reserves subaccount. The Other Infrastructure, Essential Investments, and Reserves subaccount may consist of any appropriations or transfers made by the General Assembly; from the General Fund or any other State fund and any contingent transfers made by the General Assembly from the General Fund after satisfying the requirements of 32 V.S.A. § 308 but prior to satisfying the requirements of 32 V.S.A. § 308c in any fiscal year and any contingent transfers made by the General Assembly from other State funds.

(c) Use of funds. Monies in the Fund Accounts shall only be used as follows:

(1) Expenditures shall only be made by the General Assembly from the Capital Infrastructure subaccount for:

(A) tangible capital investments, as described in section 309 of this title, with an anticipated lifespan of 20 years or more; and

(B) engineering and architectural costs directly associated with a proposed capital project.

(2) Expenditures shall only be made by the General Assembly from the Other Infrastructure, Essential Investments, and Reserves subaccount for:

(A) any expenditure eligible under subdivision (1) of this subsection (c); and

(B) any other essential investments and infrastructure needs, including transportation-related projects and capitalization of revolving loan funds.

(d) Fund balance. All balances in the Fund accounts at the end of any fiscal year shall be carried forward and remain part of the Fund accounts. Notwithstanding 32 V.S.A. § 511, the Commissioner of Finance and Management shall not anticipate receipts for the Fund accounts and issue warrants thereon.

(e) Spending authority. Any entity authorized to make expenditures from the Capital Infrastructure subaccount shall have not more than two years from the legislative session in which the act authorizing the expenditure was enacted to encumber the funds. Any remaining unencumbered funds shall remain part of the Fund account.

Sec. **XX**. 10 V.S.A. §2603 is amended to read:

10 V.S.A. § 2603. Powers and duties: Commissioner

~~(g) The Commissioner shall consult with and receive approval from the Commissioner of Buildings and General Services concerning proposed construction or renovation of individual projects involving capital improvements which are expected, either in phases or in total, to cost more than \$200,000.00. The Department of Environmental Conservation shall manage all contracts for engineering services for capital improvements made by the Department of Forests, Parks and Recreation. The Department of Environmental Conservation Facilities Engineering Section:~~

(1) may execute and consult on design for the Department of Forests, Parks, and Recreation;

(2) shall provide professional engineering services for compliance with environmental operating permits; and

(3) shall be the custodian of all plans of record for work executed by FPR regardless of source and designer of record.

Sec. **XX** EFFECTIVE DATE

This act shall take effect on passage.

Report from The Clean Water Board

Concerning alternative funding sources for Municipal Pollution Control Grants

Pursuant to 2023 Act 69 Sec. 10(f)(2)

Pursuant to Act 69 of 2023 Sec. 10(f)(2), the Clean Water Board shall submit a report with “a recommendation on whether there are any other funding sources that may be used for municipal pollution control grants in FY 2025.” The Clean Water Board reports that there are no other funding sources available to fund Municipal Pollution Control Grants in FY 2025 and should continue to be funded through the Capital Bill. Municipal Pollution Control Grants are a long-standing traditional use of Capital Bill dollars and are fully aligned with the priorities/eligibilities of the Capital Bill.

The Cash Fund for Capital & Essential Investments

32 V.S.A. §1001b

History. As part of an ongoing effort to reduce the State’s overall borrowing while retaining capacity to make necessary capital investments, in 2022 the Administration and the State Treasurer jointly proposed, and the General Assembly established (in 2022 Act 185), a “Capital Expenditure Cash Fund” to be used for certain capital costs in lieu of issuing general obligation debt. The fund was initially seeded with a \$25m contingent one-time appropriation and the Legislature directed the Administration to propose a long-term funding mechanism for the fund in the following legislative session.

In 2023, the Administration proposed that the fund be capitalized by an annual transfer from the General Fund equal to:

4% of total GF appropriations in the last completed fiscal year,
less the estimated GF debt service for the current budget year.

The final legislative construct coming out of the 2023 session retitled the fund to “The Cash Fund for Capital & Essential Investments,” and established within the fund the following two subaccounts:

1. The Capital Infrastructure subaccount (hereafter “Cash Fund A”)
2. The Other Infrastructure, Essential Investments & Reserves subaccount (hereafter “Cash Fund B”)

The first subaccount closely paralleled the Administration’s original recommendation: a fund to be used annually to support capital projects, primarily funded by the transfer mechanism described above. The second subaccount could be used more broadly to leverage one-time revenue surpluses to make essential investments in State infrastructure and establish reserves for known future year pressures.

FY24 Cash Fund Capital Projects.¹ In FY24, the Cash Fund A transfer calculation was approximately \$17,685,000, which supported 18 capital projects. The authorizations for these projects were made in the Capital Bill (2023 Act 69 Sec. 18(c)) and the appropriations were made in the Operating Budget (2023 Act 78 Sec. B.1105(a)).

In addition, in FY24, there were 3 capital projects authorized in the Capital Bill (Act 69 Sec. 18(c)(16)-(18)) for which an appropriation from Cash Fund B was made in the Operating Budget (Act 78 Sec. B.1105(b)) and 2 capital projects not authorized in the Capital Bill for which an appropriation was made in the Operating Budget (Act 78 Secs. B.1105(b)(4), B.1105(d)(6)).

Since, as defined in 32 V.S.A. §1001b(a)(1), Cash Fund A exists to “defray the costs of future capital expenditures that would otherwise be authorized in the capital construction act and paid for using the State’s general obligation bonding authority,” and given the complex interplay between Cash Fund A appropriations and bonded dollar appropriations—funding for certain capital projects may include a mix of both—it is the Administration’s strong opinion that Cash Fund A appropriations should be made directly in the Capital Bill and its adjustments, rather than the operating budget.

¹ **FY24 Cash Fund B Non-Capital Projects:** The FY24 Budget also included 5 non-capital appropriations from Cash Fund B (Act 78 Sec. B.1105(c),(d)(1)-(5)): 2 reserves for future year State match required to leverage federal IJA funds (Act 78 Sec. C.108), and a contingent appropriation was made in 2023 Act 81 Sec. 7 of any remaining balance in Cash Fund B to AHS for emergency housing pursuant to 2023 Act 81 Sec. 7.

Furthermore, the timing and nature of the legislative Capital Bill development process differs significantly from that of the operating budget. The considerations facing the Appropriations Committees diverge from those facing the capital committees, particularly in the late stage of budget development when the pace and frequency of decision-making accelerates significantly. Carrying Cash Fund A appropriations in the Operating Budget introduces into the Capital Bill development process an element of uncertainty that will make it difficult for the capital committees of jurisdiction to make the decisions necessary to construct a holistic and balanced capital budget. Furthermore, although the Capital Bill is typically effective upon passage, the annual Operating Budget is generally not effective until July 1st, creating a timing gap between the availability of bonded dollar appropriations for State entities and the availability of Cash Fund appropriations.

Given the above, **the Governor’s Recommended FY24 BAA restores all Cash Fund A appropriations from the FY24 Operating Budget (Act 78 Sec. B.1105(a)), to the FY24-FY25 Capital BAA (Sec. 18(b)).** Additionally, five projects funded out of Cash Fund B in the FY24 Operating Budget that are capital in nature are also restored to the capital bill.

FY25 Cash Fund A Projects. The FY24-FY25 Capital Bill (2023 Act 69 Sec. 18(a)) states: “It is also the intent of the General Assembly that the FY 2024 Appropriations Act appropriate funds to the Fund established in 32 V.S.A. § 1001b for projects in FY 2025.” Sec. 18(d) further states: “To the extent general funds are available to appropriate to the Fund established in 32 V.S.A. § 1001b in FY 2025, it is the intent of the General Assembly that the following capital projects receive funding from the Fund.” This language is followed by 10 appropriations totaling \$10m:

FY25 Cash Fund Projects Authorized in Act 69		
<i>Section</i>	<i>Project</i>	
18(d)(1)	BGS: Reuse, planning, and contingency	250,000
18(d)(2)	BGS: Burlington, 32 Cherry, parking garage repairs	2,300,000
18(d)(3)	BGS: Montpelier 120 State Street - HVAC - Steam Lines Interior Renovation	2,000,000
18(d)(4)	BGS - Judiciary: Washington County Superior Court Renovations	1,000,000
18(d)(5)	Public Safety: Special Teams Facilities and Storage	1,000,000
18(d)(6)	Public Safety: Rutland Field Station	1,000,000
18(d)(7)	VT Veteran's Home: Brandon & Cardinal renovation - design work	1,500,000
18(d)(8)	BGS: Newport courthouse replacement - planning and design	500,000
18(d)(9)	BGS: Montpelier 133-109 State - Planning for tunnel waterproofing/Aiken Avenue reconstruction	250,000
18(d)(10)	BGS: Montpelier 111 State - Renovation of Stack Area, HVAC Upgrades, and Elevator Replacement	200,000
	Total	10,000,000

Notwithstanding the language in Sec. 18(a), the FY24 Operating Budget did not appropriate funds for these 10 projects, and so it is necessary to identify new funding in FY25.

In FY25, the Cash Fund A transfer is \$10,688,747. Together with \$873,279 in interest accrued to the fund, per 32 V.S.A. §1001b(b)(1)(B), this provides a total of \$11,562,026 in FY25 to be appropriated from the Cash Fund. After funding the \$10m across the ten projects listed above, this leaves \$1,562,026 for additional investments in FY25. The Governor’s Recommended Capital BAA proposes allocating \$1m of this amount to accommodate cost increases to the Barre McFarland Building Re-roof and Façade Repair project, and the remainder to fund a portion of necessary HVAC upgrades to correctional facilities across the state.

Proposed Changes to Cash Fund Statute. The Governor’s Recommended FY24-FY25 Capital BAA proposes the following amendments to 32 V.S.A. §1001b:

1. Codifying the annual funding mechanism for Cash Fund A. Current law allows for transfers of “four percent or less” of the last completed fiscal year less current year debt service

obligations. While the Administration commends the legislature's inclusion of the 4% transfer mechanism, we feel that more directive language will help protect the durability of the Cash Fund as a long-term tool to support the State's continued trajectory towards a more favorable debt profile without sacrificing critical capacity to make capital investments. With a number of high-cost capital projects on the horizon—the proposed women's correctional facility alone may require an investment of nearly \$100m—now is the time to commit to a mechanism that gradually helps shift the State's funding portfolio for capital projects away from 100% reliance on borrowing. With "four percent or less," in years with significant fiscal pressures—like the one we're entering into next year—the temptation to reallocate the Cash Fund A transfer to other uses will be particularly strong, undermining the long-term best value use of those funds for the State.

2. Clarifying the point in time for the Cash Fund A transfer calculation. A technical correction to clarify that the debt service estimate to be used for the purposes of calculating the annual Cash Fund A transfer shall be the estimate provided at the time of budget preparation.

Cash Fund B. Per 32 V.S.A. 1001b(a)(2), the purpose of Cash Fund B is "to fund essential investments and infrastructure needs, create reserves for these expenditures and make contingent appropriations for other infrastructure investments." The Administration commends the legislature's establishment of two reserves—\$25m for AOT and \$14.5m for ANR—in Cash Fund B as part of the FY24 Operating Budget (Act 78 Sec. C.108). These foresightful reservations will allow State entities to leverage significant federal funding available through the Infrastructure Investment and Jobs Act (IIJA) in the next several fiscal years. Since fund reserves are typically made in the D-section of the annual operating budget, the Administration is proposing to leave those reserves, and any non-capital contingent appropriations made out of Cash Fund B in FY24, in Act 78.

The Administration is not proposing any additional reserves or appropriations in Cash Fund B in FY25.

Given the number of the Cash Fund appropriations made in FY24, the complexity of their placement across two bills, and the Governor's proposed restructuring in FY25, a crosswalk of FY24 & FY25 Cash Fund appropriations is provided at the end of this document.

FY24-FY25 Cash Fund Appropriations

Sbct	Agency/Department: Project Description	Act 69 As Passed				Act 69 - BAA			
		Act 69 Sec(s)	FY24	FY25	Total	New Act 69 Secs	FY24	FY25	Total
A	BGS: Reuse, planning, and contingency	18(c)(1), 18(d)(1)	400,000	250,000	650,000	18(b)(1), 18(e)(1)	400,000	250,000	650,000
A	BGS: Barre: McFarland Re-roof and Brick Façade Repair	18(c)(2)	1,700,000	-	1,700,000	18(b)(2), 18(e)(11)	1,700,000	1,000,000	2,700,000
A	BGS: Burlington, 32 Cherry, parking garage repairs	18(c)(3), 18(d)(2)	135,000	2,300,000	2,435,000	18(b)(3), 18(e)(2)	135,000	2,300,000	2,435,000
A	BGS: Middlesex: Central Services, Roof Replacement	18(c)(4)	1,000,000	-	1,000,000	18(b)(4)	1,000,000	-	1,000,000
A	BGS: Montpelier: Statehouse expansion, design documents	18(c)(5)	150,000	-	150,000	18(b)(5)	150,000	-	150,000
A	BGS: Montpelier 120 State Street - HVAC - Steam Lines Interior Renovation	18(c)(6), 18(d)(3)	1,000,000	2,000,000	3,000,000	18(b)(6), 18(e)(3)	1,000,000	2,000,000	3,000,000
A	BGS: Newport Northern State Correctional Facility (NSCF) Boiler Replacement, planning	18(c)(7)	600,000	-	600,000	18(b)(7)	600,000	-	600,000
A	BGS: Pittsford Academy - Administration Building, West Cottage, and Arcades -	18(c)(8)	750,000	-	750,000	18(b)(8)	750,000	-	750,000
A	BGS - AHS: NWSCF Booking Expansion	18(c)(9)	600,000	-	600,000	18(b)(9)	600,000	-	600,000
A	BGS - AHS: DCF Short-Term Secure Stabilization Facility	18(c)(10)	1,000,000	-	1,000,000	18(b)(10)	1,000,000	-	1,000,000
A	BGS - Judiciary: Washington County Superior Court Renovations	18(c)(11), 18(d)(4)	750,000	1,000,000	1,750,000	18(b)(11), 18(e)(4)	750,000	1,000,000	1,750,000
A	BGS - Public Safety: Special Teams Facilities and Storage	18(c)(12), 18(d)(5)	250,000	1,000,000	1,250,000	18(b)(12), 18(e)(5)	250,000	1,000,000	1,250,000
A	BGS - Public Safety: Rutland Field Station	18(c)(13), 18(d)(6)	250,000	1,000,000	1,250,000	18(b)(13), 18(e)(6)	250,000	1,000,000	1,250,000
A	BGS - Agriculture: VT Agricultural and Environmental Laboratory Heat Plant	18(c)(14)	300,000	-	300,000	18(b)(14)	300,000	-	300,000
A	BGS: Electric vehicle charging stations	18(c)(15)	1,000,000	-	1,000,000	18(b)(15)	1,000,000	-	1,000,000
B	VT State Colleges: Major maintenance, transformation planning, planning, design, construction of Green Hall and Vail Hall	18(c)(16)	7,500,000	-	7,500,000	18(c)(3)	7,500,000	-	7,500,000
B	ANR: State match for IJJA clean water and drinking water state revolving funds	18(c)(17)	9,800,000	-	9,800,000	18(c)(1)	9,800,000	-	9,800,000
B	ANR: Waterbury dam rehabilitation	18(c)(18)	4,500,000	-	4,500,000	18(c)(2)	4,500,000	-	4,500,000
A	ANR: Municipal pollution control grants	18(c)(19)	4,000,000	-	4,000,000	18(b)(16)	4,000,000	-	4,000,000
A	ANR: Maintenance facilities at Gifford Woods and Groton	18(c)(20)	3,000,000	-	3,000,000	18(b)(17)	3,000,000	-	3,000,000
A	ANR: Fish and Wildlife major maintenance	18(c)(21)	800,000	-	800,000	18(b)(18)	800,000	-	800,000
A	VT Veteran's Home: Brandon & Cardinal renovation - design work	18(d)(7)	-	1,500,000	1,500,000	18(e)(7)	-	1,500,000	1,500,000
A	BGS: Newport courthouse replacement - planning and design	18(d)(8)	-	500,000	500,000	18(e)(8)	-	500,000	500,000
A	BGS: Montpelier 133-109 State - Planning for tunnel waterproofing/Aiken Avenue	18(d)(9)	-	250,000	250,000	18(e)(9)	-	250,000	250,000
A	BGS: Montpelier 111 State - Renovation of Stack Area, HVAC Upgrades, and	18(d)(10)	-	200,000	200,000	18(e)(10)	-	200,000	200,000
A	DOC: Statewide Correctional Facilities HVAC Upgrades and Replacements					18(e)(12)	-	562,026	
B	DMH: Youth Inpatient Psychiatric Care Facility		-	-	-	18(c)(4)	9,225,000	-	9,225,000
B	AOT: Transportation Plan Projects		-	-	-		-	-	-
B	Contingent: DMH Grant to Pathways VT for Soteria House Purchase and		-	-	-		-	-	-
B	Contingent: ACCD VHFA 1st Gen Homebuyer Program		-	-	-		-	-	-
B	Contingent: ACCD VHFA Missing Middle Revolving Loan Fund Capitalization		-	-	-		-	-	-
B	Contingent: AOT Rail Trail Grants		-	-	-		-	-	-
B	Contingent: ACCD DED Rural Industry Development Grant Program		-	-	-		-	-	-
B	Contingent: AOT St. Albans Garage replacement		-	-	-	18(d)(1)	3,500,000	-	3,500,000
					-				-
					-				-
	CASH FUND FOR CAPITAL AND ESSENTIAL INVESTMENTS		39,485,000	10,000,000	49,485,000		52,210,000	11,562,026	63,772,026

Section 3 – Agency of Human Services

DOC – Correctional Facility HVAC Upgrades (\$4,452,746 Total) | Lines 25 & 204

According to the study completed pursuant to 2023 Act 69 Section 3(c)(1) (which can be found at the end of this binder) the total cost of fully funding long-term HVAC upgrades in all of Vermont’s correctional facilities is estimated to be \$24,075,000.

	HVAC Cost
NSCF	2,400,000
NERCF	1,500,000
CCWC	575,000
NWSCF	16,600,000
SSCF	3,000,000
Total	24,075,000

DOC has identified Southern State Correctional Facility in Springfield and Northeast Correctional Complex in St. Johnsbury as the two facilities of highest priority to receive long-term HVAC upgrades, with an estimated cost of \$3,000,000 and \$1,500,000 respectively:

- *Southern State Correctional Facility (SSCF)*
 - *Installation of a 350-ton air-cooled chiller with chilled water closed loop distribution to 27 existing air handling units and ten new unit ventilators.*
Estimated total design and construction cost: \$3,000,000.

- *Northeast Regional Correctional Facility (NERCF)*
 - *Installation of a 75-ton air-cooled chiller with glycol closed loop distribution to four existing air handling units and three new unit ventilators.*
Estimated total design and construction cost: \$1,500,000.

This year’s Capital BAA includes \$4,452,746 total (\$3,890,720 in bonded dollars and \$562,026 in Cash Fund) to fund both projects, which the Administration feels are critical to demonstrating the State’s commitment addressing HVAC concerns statewide over the long run.

DOC – ADA Accessibility Upgrades (\$822,000) | Line 26

This represents the cost of necessary accessibility upgrades in correctional facilities statewide to comply with ADA standards, pursuant to a settlement agreement with the federal government, following action against DOC.



Agency of Administration Department of Buildings and General Services

Report to the House Committee on Corrections and Institutions and Senate Committee on Institutions

Statewide Correctional Facilities HVAC Study

In accordance Acts of 2023 No. 69, Section 3(c)(1) as
appropriated in subsections 3(a) and 3 (b)(3)

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HVAC Study Update

Buildings and General Services procured an engineering design firm to provide a comprehensive feasibility report for the correctional facilities lacking integral chilling equipment.

Recommendations were provided for each facility, with the focus of adaptive integration into existing air distribution systems. Following a collaborative review process with the Department of Corrections, the preferred resolutions are as follows:

- **Northern State Correctional Facility (NSCF)**
Installation of a 350-ton air-cooled chiller with chilled water closed loop distribution to 27 existing air handling units and ten new unit ventilators.
Estimated total design and construction cost: \$2,400,000.
- **Northeast Regional Correctional Facility (NERCF)**
Installation of a 75-ton air-cooled chiller with glycol closed loop distribution to four existing air handling units and three new unit ventilators.
Estimated total design and construction cost: \$1,500,000.
- **Caledonia County Work Camp (CCWC)**
Installation of a 350-ton air-cooled chiller with chilled water closed loop distribution to 27 existing air handling units and ten new unit ventilators.
Estimated total design and construction cost: \$575,000.
- **Northwest State Correctional Facility (NWSCF)**
Installation of a 150-ton air-cooled chiller with chilled water closed loop distribution to 12 new air handling units and four new unit ventilators as well as the enlargement of existing ductwork distribution and roof restructuring.
Estimated total design and construction cost: \$16,600,000.
- **Southern State Correctional Facility (SSCF)**
Installation of a 350-ton air-cooled chiller with chilled water closed loop distribution to 27 existing air handling units and ten new unit ventilators.
Estimated total design and construction cost: \$3,000,000.

The next phase of this effort is to develop a request for proposal to provide the design for the upgrades and replacement of the HVAC systems and, to the extent possible, design HVAC systems in common areas to immediately alleviate heat-related stress for staff and residents and integrate later into the permanent cooling system proposed for each facility.