

Explanation of Budget Development Form

Sec.B.311 – Admin and Support Appropriation

Personal Services:

1. Salary and Wages – \$42,170
Reflects the change in salary and wage costs in FY25 over FY24.
2. Health Insurance – \$113,430
Reflects the change in health insurance costs in FY25 over FY24. Health insurance rates increased 15% over FY24.
3. Retirement – \$27,286
Reflects the change in retirement costs in FY25 over FY24. The retirement rate for employees with the defined contribution retirement plan increased from 11.75% to 16.34%. The retirement rate for employees with the defined benefit retirement plan is unchanged at 26.7%.
4. All Other Employee Payroll Related Fringe – \$1,403
Reflects the change in costs in FY25 over FY24 for all other fringe, including dental insurance, life insurance, long-term disability insurance, employee assistance program, and Medicare and Social Security taxes.
5. VT Family & Medical Leave Insurance Premium - \$18,194
The cost of the new VT Family & Medical Leave Insurance Premium tax of 0.3711% of salary costs.
6. Child Care Contribution - \$16,184
The cost of the new child care contribution payroll tax of 0.33% of salary costs.
7. Workers' Compensation Insurance Premium – (\$281)
Decreased cost of workers compensation insurance over FY24. Amount provided by Finance.

Sec.B.311 – Admin and Support Appropriation (continued)**Operating Expenses:**

1. Internal Service Fund (ISF) Changes. These 5 lines reflect changes to the cost of internal service charges over FY24. The net effect of these changes is an overall increase of \$109,294. Amounts provided by Finance.
 - Insurance Other Than Employee Benefits – (\$8,367)
 - Insurance – General Liability - \$24,657
 - VISION/ISD - \$6,020
 - ADS Allocated Charge - \$29,394
 - Human Resources Services - \$57,590

Grants:

1. COVID-19 Health Disparities Program – federal grant ended – (\$9,000,000)
This line item reflects the estimated budget impact of the end of COVID-19 era federal funding in the Admin and Support appropriation. *The National Initiative to Address COVID-19 Health Disparities* grant awarded to Vermont in June 2021 is scheduled to end on May 31, 2024. This project was funded with emergency one-time COVID-19 appropriations.
2. VT Nursing Forgivable Loan increase for VSAC – \$288,594
This line item increases the base appropriation for the Vermont Nursing Forgivable Loan Incentive Program by \$288,594 bringing the total appropriation for this program to \$3,338,594. This program is authorized by 18 VSA § 34 and administered by VSAC, the Vermont Student Assistance Corporation.

Sec.B.312 – Public Health Appropriation**Personal Services:**

1. Salary and Wages - \$810,605
Reflects the change in salary and wage costs in FY25 over FY24.
2. Health Insurance - \$1,381,565
Reflects the change in health insurance costs in FY25 over FY24. Health insurance rates increased 15% over FY24.
3. Retirement – \$225,069
Reflects the change in retirement costs in FY25 over FY24. The retirement rate for employees with the defined contribution retirement plan increased from 11.75% to 16.34%. The retirement rate for employees with the defined benefit retirement plan is unchanged at 26.7%.

Sec.B.312 – Public Health Appropriation (continued)

4. All Other Employee Payroll Related Fringe – \$64,385
Reflects the change in costs in FY25 over FY24 for all other fringe, including dental insurance, life insurance, long-term disability insurance, employee assistance program, and Medicare and Social Security taxes.
5. VT Family & Medical Leave Insurance Premium - \$138,737
The cost of the new VT Family & Medical Leave Insurance Premium tax of 0.3711% of salary costs.
6. Child Care Contribution - \$123,361
The cost of the new child care contribution payroll tax of 0.33% of salary costs.
7. Move Vermont Prescription Monitoring System Contract from Substance Use Programs to Public Health (VDH net-neutral) - \$120,000
This line moves funding for a contract for the Vermont Prescription Monitoring System (VPMS) from the Substance Use Programs appropriation to the Public Health appropriation. This activity is now being managed by the Division of Health Statistics and Informatics in the Public Health appropriation.
8. Unused Prescription Drug Repository Contract - \$355,703
This line provides funding for the department to establish an unused prescription drug repository program with a contracted entity as authorized by 18 VSA § 4671. The purpose of an unused prescription drug repository is to get medications into the hands of those who need them but cannot afford them. Under the program, medications that would otherwise be discarded are collected from institutions and individuals. Medications are inspected by pharmacists for safety. Patients access the medication through participating pharmacies and clinicians.

Operating Expenses:

1. ISF Fee for Space – (\$42,033)
Decreased cost of fee for space over FY24. Amount provided by Finance.
2. Remove Base Opioid Settlement Fund Appropriation – (\$1,980,000)
This line removes a base budget appropriation of \$1.98 million from the Opioid Abatement Special Fund. The general assembly in Act 22 of 2023 opted to fund all the recommendations of the Opioid Settlement Advisory Committee as a one-time appropriation, including funding for expansion of access to opioid antagonists. This recommendation was also included in the Executive Budget Recommendation, resulting in duplicate funding for the project. Annual appropriations from the Opioid Abatement Special Fund will continue to be made as one-time appropriations going forward.

Sec.B.312 – Public Health Appropriation (continued)**Grants:**

1. COVID-19 Health Disparities Program – federal grant ended – (\$3,000,000)
This line item reflects the estimated budget impact of the end of COVID-19 era federal funding in the Public Health appropriation. *The National Initiative to Address COVID-19 Health Disparities* grant awarded to Vermont in June 2021 is scheduled to end on May 31, 2024. This project was funded with emergency one-time COVID-19 appropriations.
2. Preschool Development Grant MOU with DCF - \$3,405,550
The Health Department and the Department for Children and Families (DCF) have a Memorandum of Understanding (MOU) for the purpose of implementing Vermont's Preschool Development Grant Birth through Five (PDG B-5) in accordance with federal expectations and obligations. Under the terms of the MOU, the Health Department collaborates with DCF to establish and manage subrecipient grants that deliver early childhood systems services. Spending authority is needed in the interdepartmental transfer fund to expend funds received from DCF via this MOU.
3. Family Planning Services transfer to DVHA (BAA item, AHS net-neutral) – (\$635,442)
This line is a net-neutral transfer of funds from the Health Department to DVHA. Effective July 1, 2023, family planning services previously paid by the Health Department will be paid by DVHA. This is also a FY24 BAA item.

Sec.B.313 – Substance Use Programs Appropriation**Personal Services:**

1. Salary and Wages - \$64,791
Reflects the change in salary and wage costs in FY25 over FY24.
2. Health Insurance - \$51,467
Reflects the change in health insurance costs in FY25 over FY24. Health insurance rates increased 15% over FY24.
3. Retirement – \$20,805
Reflects the change in retirement costs in FY25 over FY24. The retirement rate for employees with the defined contribution retirement plan increased from 11.75% to 16.34%. The retirement rate for employees with the defined benefit retirement plan is unchanged at 26.7%.
4. All Other Employee Payroll Related Fringe – \$4,206
Reflects the change in costs in FY25 over FY24 for all other fringe, including dental insurance, life insurance, long-term disability insurance, employee assistance program, and Medicare and Social Security taxes.

Sec.B.313 – Substance Use Programs Appropriation (continued)

5. VT Family & Medical Leave Insurance Premium - \$14,530
The cost of the new VT Family & Medical Leave Insurance Premium tax of 0.3711% of salary costs.
6. Child Care Contribution - \$12,919
The cost of the new child care contribution payroll tax of 0.33% of salary costs.
7. Move Vermont Prescription Monitoring System Contract from Substance Use Programs to Public Health (VDH net-neutral) – (\$120,000)
This line moves funding for a contract for the Vermont Prescription Monitoring System (VPMS) from the Substance Use Programs appropriation to the Public Health appropriation. This activity is now being managed by the Division of Health Statistics and Informatics in the Public Health appropriation.

Grants:

1. COVID-19 Substance Abuse Block Grant Supplements – federal grants ended – (\$6,500,000)
This line reflects a wind down of a set of COVID-19 era grant awards intended to address the specific impacts of COVID-19 on individuals with substance use disorder (SUD), the increased prevalence of SUD resulting from the social and economic effects of the pandemic, and the increased costs (and reduced billings) that providers experienced as they adapted treatment practices to pandemic infection control protocols.
2. Rate Increase for residential SUD Treatment Providers – Effective 1/1/24 – Net Increase \$854,961, Global Commitment Program Increase \$2,449,445
This line reallocates the \$1.6M in General Fund and Global Commitment investment dollars appropriated in FY24 to enhance and support the residential treatment system into Global Commitment Program dollars to raise Medicaid rates for residential SUD treatment providers by 38%. The rate increase went into effect January 1, 2024.
3. Substance Misuse Prevention (backfill of one-time) - \$1,590,000
This line increases the base general fund appropriation for substance misuse prevention by \$1,590,000 to \$3M. During the 2022 legislative session, the general assembly established legislative intent that a minimum of \$3M be directed to substance misuse prevention annually. In FY24, this funding was appropriated as \$1.41M base and \$1.59M one-time. For FY25, the full \$3M is included as a base general fund appropriation.