



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 24, 2024

SUBJECT: Fiscal Year 2025 Budget Testimony Before House and Senate Committees
on Appropriations

This memorandum contains guidance to agency and department heads detailing the General Assembly's expectations for budget presentations to the House and Senate Committees on Appropriations.

Over the last several years, Vermont received unprecedented amounts of both federal and State funds. Given that State revenues are projected to return to more modest rates of growth in fiscal year 2025, it is imperative that the General Assembly understands how, and if, departments and agencies intend to use these funds. While all federal American Rescue Plan Act (ARPA) funds have been appropriated by the General Assembly, not all of these funds have been obligated or expended. ARPA funds must be obligated by December 31, 2024 and expended by December 31, 2026. Please include information on the status of ARPA funds in your budget presentation, including the extent to which funds have been obligated, plans for obligating unobligated balances, and the extent to which ARPA funds may remain unobligated by December 31, 2024.

Additionally, the July flooding created a high demand for support services from State agencies and departments at the same time that it disrupted regular business operations across State government. As part of your testimony, please be prepared to discuss the impact of the flood in your budget testimony. Please outline any insurance and Federal Emergency Management Agency (FEMA) related expenses that were incurred.

The Committees on Appropriations, in conjunction with the policy committees, would like to understand the challenges and opportunities that have been identified in your budget. Please include discussion and responses to the following:

- 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? Are there 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. If you are proposing new language be added to the budget, please include a Word document of the drafted language. Depending on the format of materials being provided, there may be a need for paper copies.¹

Evidence-Based Performance Accountability

The House and Senate Committees on Appropriations and the policy committees remain focused on evidence-based performance accountability. 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 Committees on Appropriations 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 Committees on Appropriations.

It should be noted that the Joint Fiscal Office website is a useful resource for departments and agencies looking to track budgetary changes made by the General Assembly. Documents relating

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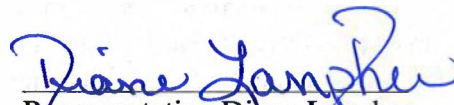
Note, if there are any proposed language changes presented by a department or Agency, please send a Word version of the proposed change to the Joint Fiscal Office.

to these changes, including House, Senate, and Committee of Conference versions of the bill and web reports that show and explain changes made in each of those versions, can be found on the [Appropriations and Budget](#) page of the website.

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 email 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 Committee on Appropriations 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 access budget documents electronically. To facilitate committee members’ 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 in an email.

Vantage Budget System Reports – 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. You may need to attach several documents to one email or send multiple emails. If you send more than one attachment or email, please make sure that you label the attachments to indicate how many there are, e.g., “1 of 2”, in the subject line.

Budget documents will be posted on the Joint Fiscal Office website and the respective committee’s webpage. While testifying before the House and Senate Committees on Appropriations, budget documents may be presented on Zoom for virtual attendees to see.

Crosswalk Spreadsheet – Please provide a brief update on significant changes or initiatives between the fiscal year 2024 and fiscal year 2025 appropriation requests.

Section numbers corresponding with the budget should be included on the far left of each crosswalk. This will help members 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 fiscal year 2025 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

budget. If there is a major initiative funded with federal funds, the Committees on Appropriations would like to know the funding plan for the initiative once 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 ARPA-funded programs.

Impact on Vermonters – Policy Impact Assessment – The Committees on Appropriations request that any policy impact assessments provided to the Department of Finance and Management per the Commissioner’s budget instructions dated August 31, 2023. 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 on Appropriations.

Position Changes and Vacancy Savings – The Committees on Appropriations would like to understand how services provided by each department might be impacted by any budgeted vacancy savings target and be informed of any position reductions or increases included in the proposed budget.

Grants – The Committees on Appropriations would like a summary of the grants that are distributed from each appropriation to community and non-profit organizations, as well as information on any changes in these grant amounts from fiscal year 2024 to fiscal year 2025. This document may be omitted if enough detail on these grants is included in the Vantage System reports.

Carryforward Funds – For each appropriation, please provide a summary of the amount of carryforward funds that were available at the end of fiscal year 2023 and the anticipated amount of carryforward funds available at the end of fiscal year 2024. Please be prepared to discuss what you are planning to use your carryforward funds for.

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 – The Committees on Appropriations 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 other relevant data for factors that relate to program costs and outcomes.

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 Committees on Appropriations, the Chief and Deputy Fiscal Officers will be working with the Committees on Appropriations as needed over the course of the session.

House Appropriations Committee

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