



STATE OF VERMONT
GENERAL ASSEMBLY

April 30, 2026

To: Commissioner Adam Greshin
Vermont Department of Finance and Management

From: Rep. Kathleen James, Chair
On behalf of the House Energy and Digital Infrastructure Committee

Dear Commissioner Greshin:

Thanks for your [February 10 testimony](#) on the proposed FY27 budget (H.951).

In a February 20 [letter to House Appropriations](#), our committee unanimously supported the administration's proposed changes to the way the Agency of Digital Services is funded, including the transfer in spending authority for major IT projects from ADS to the sponsoring state agencies and departments.

However, in our letter we also outlined concerns with this shift. These concerns include:

- ⇒ Timely and comprehensive access to financial expenditure data for ADS and the executive branch, for legislators and for the public
- ⇒ The lack of a tracking system that accurately captures IT spending across state government, not only at project start and end, but year by year

As legislators, we take seriously our responsibility to understand how the State of Vermont is funding and implementing important IT projects. Our job is to provide rigorous oversight of these taxpayer dollars, as well as project outcomes.

With that responsibility in mind, we respectfully request that the Department of Finance and Management:

- ⇒ **Submit a report to the legislature in January 2027** that provides an update on how the new budgeting approach is working, including detailed information on the Core Enterprise Services fund and the three new "Demand Services" Internal Service Funds (Enterprise Offerings, Professional Services, Customized Services).
- ⇒ **Ensure consistent use of the State's Chart of Accounts to uniformly track expenditures associated with major IT projects.** As spending becomes distributed across agencies, we see an increased risk that total project costs may become fragmented or less transparent.

Project-level tracking should include not only contracts with IT implementation vendors, but also business-side contracts that support project delivery — such as business process

reengineering and other operational consulting services tied to IT projects. Associated staffing and operating costs should also be tracked. Currently, this information is either inconsistent or not available. (Example: From department to department, staff may or may not be tracking the time they spend on an IT project, or a department may hire temps to cover for staff who have been assigned to an IT project. This spending should be tracked.)

Consistent Chart of Accounts coding for *all project-related expenditures* would allow executive branch leaders and legislative committees to monitor spending, assess fiscal exposure, and understand the full costs of large IT investments across fiscal years. Clear, centralized tracking is essential to transparency, accountability, and informed oversight.

Section E.105.1 of H.951 (as passed the House) requires ADS, in consultation with the Department of Finance and Management, to provide a written plan to the legislature on or before January 15, 2027. The plan will (1) address how to reduce the deficit in the Information Technology ISF and (2) recommend changes to Fund expenditures and revenue. The report will also include information on expenditures and revenue — and the Fund's balance at fiscal year closeout — for the previous 10 fiscal years.

We're writing this letter prior to final passage of H.951. We realize that the final bill, once signed into law, may no longer contain this language. We'll look forward to receiving the report if required, or to requesting similar testimony during the 2027 session if not.

Thank you again for your testimony and for your continued commitment to responsible financial stewardship of the State's major technology initiatives.

Rep. Kathleen James, Chair

On behalf of the House Committee on Energy and Digital Infrastructure

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