

****DRAFT****House Committee on Ways and Means – Recommendations on FY 2025 BAA Proposals
January 17, 2025 Draft for Committee Discussion Only – NOT FINALIZED

Sec. #	Proposal	Amount	W&M Position
Governor’s Recommendations			
Sec. 23	<p>2024 Acts and Resolves No. 113, Sec. B.318 DCF-Child Development</p> <ul style="list-style-type: none"> • (\$13,082,592) Child Care Financial Assistance Program (CCFAP) General Fund caseload savings. • \$0 revenue-neutral adjustment reduces General Fund CCFAP appropriation by \$13,200,000 and shifts \$13,200,000 to the Child Care Contribution Special Fund. 	<p>(\$13,082,592) net all funds</p> <p>(\$26,282,592) – GF \$13,200,000 – SF</p>	<p>The Committee takes no position on this recommendation at this time, pending the adoption of a revised consensus revenue forecast. The Committee hopes that at some point in the future the Legislature will consider formally enacting a reserve in the Child Care Contribution Special Fund to ensure that the Fund can fulfill its caseload obligations and protect itself against economic volatility in revenue collections without the risk of program costs falling to the General Fund in the future.</p>
Secs. 40-41	<p>2024 Acts and Resolves No. 113, Secs. B.504 and B.504.1</p> <p>Education – Adult education and literacy Education – Flexible Pathways</p> <p>Increase appropriations by \$506,061, with 60% of the increase paid with General Fund and 40% from the Education Fund.</p>	<p>\$303,637 – GF \$202,424 – EF</p>	<p>The Committee supports this recommendation, which increases appropriations due to increased demand for the Adult Diploma Program. 60% of these costs are paid from by the General Fund (B.504), and 40% paid from the Education Fund (B.504.1).</p>
Sec. 42	<p>2024 Acts and Resolves No. 113, Sec. B.505 Education-Adjusted education payment</p> <ul style="list-style-type: none"> • (\$8,000,000) – Education spending was less than anticipated following school budget failures and revotes. • (\$3,000,000) – English Language Learners (ELL) grant was originally budgeted in 	<p>(\$11,000,000) Education Fund</p>	<p>The Committee supports this recommendation, which more closely aligns appropriations to actual voter-approved expenditure levels and removes a duplicate appropriation for ELL grants.</p>

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	<p>this appropriation, but was not reduced when a separate appropriation for ELL was established.</p>		
Sec. 43	<p>2024 Acts and Resolves No. 113, Sec. B.508 Education-Nutrition</p> <p>Reduces EF appropriations for meal services from \$20.4 million to \$17.5 million in FY 2025.</p>	<p>(\$2,900,000) Education Fund</p>	<p>The Committee supports this recommendation, which more closely aligns appropriations to demand for meal services.</p>
Secs. 50, 61	<p>2024 Acts and Resolves No. 113, Sec. D.100 Allocations; Property Transfer Tax</p> <p>2024 Acts and Resolves No. 181, Sec. 78 Transfers; Property Transfer Tax</p> <p>Technical changes to Property Transfer Tax allocations. Section 50 would update the PTT allocations in Act 113 to incorporate and harmonize with the allocations made in Act 181. Section 61 is proposed to delete the relevant changes to the allocations from Act 181, which would be folded into Section 50.</p>		<p>TBD</p>
Sec. 51	<p>2024 Acts and Resolves No. 113, Sec. D.101 - Fund Transfers</p> <p>(b)(1) – Transfers to the General Fund from Other Funds</p>		
	<p>(A) – Cannabis Regulation Fund</p> <p>From \$12,000,000 to \$15,417,084.32</p>	<p>\$3,417,084.32 General Fund</p>	<p>The Committee supports this recommendation, which revises the estimated transfer from the Cannabis Regulation Fund to the General Fund in FY 2025 to reflect the actual amount transferred. Per 32 V.S.A. § 7909(a), 30% of the transfer is dedicated to substance use prevention programming. The BAA increases appropriations for substance use prevention in B.313 by \$1,025,125 (30% of the \$3,417,084).</p>

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(C) – Sports Wagering Enterprise Fund From \$7,000,000 to \$6,139,162	(\$860,838) General Fund	The Committee supports this recommendation , which revises the estimated transfer from the Sports Wagering Enterprise Fund to the General Fund in FY 2025 to more accurately reflect revenue expectations.
(D) – Liquor Control Fund From \$21,100,000 to \$9,543,353	(\$11,556,647) General Fund	TBD
(E) – Tobacco Litigation Settlement Fund From \$3,000,000 to \$0	(\$3,000,000) General Fund	The Committee supports this recommendation , which repeals a \$3M transfer to the General Fund. The transfer would have led to a \$1.6 million anticipated deficit in the Fund in FY 2026. Eliminating the transfer, which may no longer be needed to support the General Fund due to over-performance in other revenues, will put the Fund back in a projected year-end surplus.
(G) – Workforce Education & Training Fund From \$0 to \$2,598,921.75	\$2,598,921.75 General Fund	The Committee supports this recommendation. The Workforce Education and Training (WET) Fund was previously funded by a transfer from the Next Generation Initiative Fund, which in turn was funded by a General Fund transfer. The Next Generation Fund was deactivated, and programmatic costs previously funded by the WET Fund are now part of the Department of Labor’s base General Fund appropriation. The WET Fund is now obsolete; this transfer would return the balance in the Fund to the General Fund. Section 69 of the BAA would repeal the WET Fund, which the Committee also supports.

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	(H) – VT Traumatic Brain Injury Fund Transfer balance of the Fund at close of FY 2025 to the General Fund	\$1,500 (approx.) General Fund	The Committee supports this recommendation. The Fund received one \$140,000 transfer in 2008 which was fully expended by 2010 (\$70,000 each to the Health Care & Rehabilitation Services of SE VT, and Brain Injury Association of VT). The approximately \$1,500 residual balance in the Fund is composed entirely of compounded interest received since 2008. This proposal would transfer the residual balance to the General Fund at the close of FY 2025. Section 79 of the BAA would repeal this obsolete special fund, which the Committee also supports.
	(b)(2)(B) – Unclaimed Property Fund From \$6,500,000 to \$10,995,595	\$4,495,595 General Fund	The Committee supports this recommendation, which increases the anticipated direct app from the Unclaimed Property Fund to the General Fund. The amount represents the amount remaining at the close of FY 2024 beyond the required \$4,806,692 transfer per 2024 Acts and Resolves No. 87, Sec. 55.
	(b)(3) – DFR Special Funds From \$66,935,000 to \$63,560,450.50	(\$3,374,549.50) General Fund	The Committee supports this recommendation, which revises original estimates for the direct app from DFR financial regulation funds based on diminishing applications and rebasing original estimates to actuals.
Sec. 52	Department of Taxes Reversions (General Fund) <ul style="list-style-type: none"> • Tax Operation Costs (1140010000) • Reappraisal & Listing Payments (1140060000) • Use Tax Reimbursement Program (1140070000) • Renter Rebates (1140330000) • Tax- Childcare Contr Positions (1140892403) 	(\$7,118,960.57) total (\$1,267,062.22) (\$35,270.75) (\$37,864.25) (\$2,186,940.33) (\$3,591,823.02)	The Committee supports the recommended reversions from the Department of Taxes, as these balances represent General Fund appropriations authority that are no longer needed for their originally intended purposes.

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	<p>Education Fund Reversions</p> <ul style="list-style-type: none"> • Administration (5100010000) • State-Placed Students (5100050000) • Education Grant (5100090000) • Small School Grant (5100110000) • Education – Technical (5100200000) • Ed-Flexible Pathways (5100210000) • AOE – Universal School Meals (5100892405) 	<p>(\$24,258,001.60) total</p> <p>(\$301,041.03) (\$13,687,528.41) (\$359,570.31) (\$593,700.00) (\$1,802,347.44) (\$1,312,334.72) (\$6,201,479.69)</p>	<p>The Committee has no objection to the proposed reversions and defers to the House Committee on Education on these items. The Committee received testimony that the modeling and estimates that informed the “December 1” letter already factored in these reversions.</p>
Sec. 53	<p>2024 Acts and Resolves No. 113, Sec. D.103 Reserves</p> <p>Notwithstanding 32 V.S.A. § 308c(a)</p>		<p>The Committee supports this recommendation, which will permit unallocated General Fund balances that exist at the end of FY 2025 due to revenue forecast upgrades and budget adjustments to be available for expenditure in FY 2026. This would make funds available next fiscal year to support further discussions in the Legislature as our policy work progresses in FY 2026.</p>

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Secs. 57 - 58	<p>2024 Acts and Resolves No. 145, Secs. 7, 15 Telephone Tax; Repeal; Transition</p> <p>Extends dates by one year:</p> <ul style="list-style-type: none"> • Repeal telephone personal property tax eff. 7/1/26 (current law 7/1/25) • Repeal alternative telephone gross revenue tax eff. 1/1/27 (current law 1/1/26). • Taxable communications property put on the grand list effective FY 2026 (current law FY 2025) • Communications property tax to take effect 7/1/26 (current law 7/1/25) 	<p>FY 2025: No change.</p> <p>FY 2026: \$2,000,000 – GF (approx.)</p> <p>(\$3,000,000) – EF (approx.)</p>	<p>The Committee supports this recommendation, which is necessary because the Department of Taxes needs additional time to perform the complex tax valuation work required by Act 145.</p>
Sec. 65	<p>2024 Acts and Resolves No. 183, Sec. 24a</p> <p>Technical amendments to language related to overpayments for education taxes in FY 2024.</p>	n/a	<p>The Committee supports this recommendation, which is technical in nature and necessary to fulfill legislative intent to compensate homestead taxpayers in Canaan and the Northeast Kingdom Choice School District who overpaid FY 2024 education taxes due to data errors in student population accounting.</p>
Sec. 69	<p>10 V.S.A. § 543 Workforce Education and Training Fund; Grant Programs</p> <p>Repeals section.</p>	n/a	<p>The Committee supports this recommendation, which would eliminate an obsolete special fund. Note that the residual balance of this Fund is proposed to be transferred to the General Fund in Sec. 51, which the Committee also supports.</p>
Sec. 70	<p>18 V.S.A. § 9502 Tobacco Trust Fund</p> <p>Technical edits</p>	n/a	<p>The Committee supports this recommendation, which makes grammatical and technical corrections. The proposed removal of (b) would adjust statute to the current practice of “notwithstanding” this transfer. Instead of annually “notwithstanding” the automatic transfer in (b), the Legislature could add session law language enacting a transfer if it desired to make one.</p>

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Sec. 79	33 V.S.A. Ch. 78 VT Traumatic Brain Injury Fund Repeals entire Chapter, abolishes Fund	n/a	The Committee supports this recommendation, which would eliminate an obsolete special fund. Note that the residual balance of this Fund is proposed to be transferred to the General Fund in Sec. 51, which the Committee also supports.
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