

April 8, 2026

Honorable Wendy Harrison
Chair, Senate Committee on Institutions
Vermont State House
Montpelier, VT 05602

Dear Senator Harrison:

I write with comments on H.952 – *An act relating to capital construction and State bonding budget adjustment.*

First, I want to commend the House for fully funding, for the first time, the statutory cash fund transfer. This commitment to financing capital projects without relying on borrowing is exactly the kind of fiscal discipline we need as we enter more difficult financial times. I hope the Senate will uphold the House's commitment on this front.

With respect to the changes the House made to the Governor's recommended budget adjustment, I would like to highlight some items for your reconsideration. In recent years, we have seen the House Committee on Corrections and Institutions justify reductions to Governor-recommended projects based on project timing and cash flow considerations. It is notable, therefore, that this year's House-passed capital budget adjustment makes several reductions to projects that are *currently in flight*, while adding to projects with less immediate funding needs. I urge the Senate to take further testimony from the relevant stakeholders about the following projects:

DOC: Statewide Door Controls – Reduced by \$2M

The funding for this project in the Governor's recommend was to help finish door control replacements at the Northeast Correctional Facility and Caledonia Community Work Camp, building on appropriations made last year. The project is already underway, with a signed construction management contract. This reduction will result in a delay of six to eight months – which may result in future cost increases.

Newport: Northern State Correctional Facility Boiler Replacement – Reduced by \$1M

This project is also underway, with an estimated cost to complete of \$2M. With the House's proposed reduction, this need rises to \$3M in FY28, and based on funding availability, the project

timeframe will have to be delayed by several months. Construction would not begin until April or May of 2027.

Statewide: 3-Acre Stormwater Compliance – Reduced by \$1.5M

For the second year in a row, the House has reduced funding for compliance with Vermont's 3-acre impervious surface stormwater rule. The Governor's initial proposal for this line item, given the eight state-owned properties requiring mitigation in the Lake Champlain and Memphremagog basins, was \$3M across the biennium. The House's budget adjustment reduces this number to just \$1.1M in FY26, a 63% reduction as compared to the original recommendation. Though stormwater compliance deadlines have been extended in recent years, any reduction in funding poses a risk to our ability to meet even the extended deadlines given the size and complexity of mitigation projects needed at the eight BGS-owned properties. This reduction will also further delay the completion of the NSCF Boiler Replacement project described above, as stormwater remediation must be completed before the new boiler is fully operational.

Wi-Fi in State Correctional Facilities –\$3M added

While we hear the House's desire to expand Wi-Fi capabilities in state correctional facilities, this level of funding for this project is both premature and potentially unnecessary. DOC has been working with the Vermont Community Broadband Board (VCBB) to assess potential federal funding for this project—work that is ongoing. The Legislature could engage with the VCBB to analyze directing federal funds for this purpose to DOC in accordance with funding guidelines.

Furthermore, both ADS and BGS, the two entities who will be responsible for the installation and maintenance of this equipment, have concerns about the readiness of this project. Assessments of the security and operations impacts of WiFi expansion have not been completed, and given the specific challenges inherent maintaining operations during construction projects in correctional facilities, a more thorough planning and assessment process should be completed before appropriating such a large sum. It is also important to note that this project is estimated to carry an ongoing operating cost of several hundred thousand dollars which will represent a base pressure to DOC's budget in future years.

More work needs to be done to be ready for this project, and using capital dollars for this purpose would be a waste of limited capacity if other funding sources prove to be available.

Women's Correctional Facility Replacement – \$1.25M added

The replacement of the women's correctional facility continues to be a priority for both the Administration and the Legislature. Representatives from both DOC and BGS have testified before the committees of jurisdiction on the efforts made to date regarding this project, and the ongoing work to locate a suitable site. Until a location is identified, no significant work on this project can occur.



We all know the cost of a replacement facility will be substantial, and in recent years, several appropriations have been made to ensure funding is available to move this project forward once a site is identified. As of the time of this writing, there is just under \$15.5M in unobligated, unspent capital appropriations devoted to this project, the oldest of which (about \$1M) will expire next year, per 32 V.S.A. §701a(c)(2). If a site were identified tomorrow, these outstanding appropriations would be more than sufficient to support the project until new funding can be appropriated. Setting aside additional funding this session is unnecessary and detracts from other pressing capital needs on projects with more immediate timeframes.

We hope that the Senate will hear from impacted state entities as they consider further revisions to the House proposed Capital BAA. As always, the Administration looks forward to working with you on this critical piece of legislation.

Sincerely,



Sarah Clark
Secretary of Administration

Cc: Representative Alice Emmons, House Committee on Corrections and Institutions, Chair
Senator Philip Baruth, State Senate, Senate President Pro Tempore
Representative Jill Krowinski, House of Representatives, Speaker
Catherine Benham, Joint Fiscal Office, Chief Fiscal Officer
Nick Kramer, Agency of Administration, Chief Operating Officer
Sean Brown, Agency of Administration, Deputy Secretary
Wanda Minoli, Department of Buildings and General Services, Commissioner



