

## H.790 – Fiscal Year 2026 Budget Adjustment Act As Introduced by the House Committee on Appropriations

Fiscal Year 2026 Total Appropriations						
(\$ millions)	General Fund	Federal Funds	Transportation Fund	Education Fund	All Other Funds	Unduplicated Totals
FY 2026 As Passed	2,451.32	3,154.23	359.15	2,430.44	693.88	9,089.03
Governor's Recommend	46.66	47.08	-	(1.00)	2.36	95.09
House Changes	0.05	0.47	0.00	-	3.64	4.16
<b>FY 2026 BAA Total</b>	<b>2,498.04</b>	<b>3,201.78</b>	<b>359.15</b>	<b>2,429.44</b>	<b>699.88</b>	<b>9,188.28</b>
Transfers from the General Fund	313.00					
Reserved for FY 2027	74.93					
<b>Total General Fund Used</b>	<b>2,885.97</b>					

### OVERVIEW

This budget adjustment fills all statutory reserves, meets all pension obligations, and adjusts essential investments in human services, housing, health care, and other major areas.

### REVENUE OVERVIEW

This adjusted budget utilizes the January 2026 official consensus revenue forecast of \$2,475.9 million, an \$80.6 million increase from Budget as Passed. Additionally, this budget adjustment also includes other General Fund sources totaling \$410.1 million, or \$30.7 million more than the budget as passed. This represents an additional \$111.3 million of anticipated revenue over the original forecast used to build the fiscal year 2026 budget (Act 27). Total revenue utilized in this adjusted budget equals \$2,886.0

### BUDGET CONTEXT

General Fund appropriations in this adjusted budget total \$2,498.0 million and \$313.0 million is transferred to other funds and reserves. \$74.9 million remains unspent and reserved in fiscal year 2027 to address federal funding shortfalls, property tax relief, or other uses determined to be in the best interest of the public. Total appropriations from all funds (unduplicated) are \$9.2 billion

### BASE APPROPRIATION ADJUSTMENTS

- Provides \$870,000 General Fund to State Police overtime costs.
- Provides \$180,000 General Fund for Sheriff transportation, overtime, and admin. costs.
- Provides \$14.1 million Global Commitment for Extraordinary Financial Relief for nursing homes.
- Provides \$390,000 General Fund to the Department of Mental Health for traveling nurse contracts.
- Provides \$1.3 million General Fund to Housing Opportunity Program partners to sustain homelessness prevention services.
- Provides \$1.9 million General Fund to the Windham Center's Crisis Stabilization program.

- Funds a Medicaid rate increase for AAA case management providers and restores the fiscal year 2025 rate for Tier 1 enhanced residential care providers in the final quarter of fiscal year 2026.
- Provides \$4.6 million General Fund for a Department of Corrections (DOC) health care contract amendment to address average daily population increases in DOC facilities.
- Provides \$105,217 General Fund to the Agency of Natural Resources to cover increased costs associated with summer wildfires.
- Funds caseload and utilization adjustments across programs within the Agency of Human Services, including \$34.3 million in Medicaid caseload adjustments.
- Shifts \$3.4 million from the General Fund to the PILOT Special Fund for Grand List reappraisals and adjustments.
- Utilizes \$270,000 General Fund to fund two limited-service positions at the Department for Children and Families to support the Housing Opportunity Program (net-neutral).

### **ONE-TIME GENERAL FUND APPROPRIATIONS AND TRANSFERS**

- Provides \$500,000 General Fund to the Agency of Administration to reimburse expenses associated with the expansion of Community Accountability Court Projects.
- Provides an additional \$3.0 million General Fund to the Vermont State Teachers' Retirement System to ensure the actuarially determined employer contribution is fully funded in fiscal year 2026.
- Provides additional \$800,000 Global Commitment to mitigate non-emergency medical transport provider deficits.
- Provides \$167,000 General Fund to the Bridges to Health Program to support the Program's administrative transition.
- Provides \$192,000 General Fund and \$228,000 Substance Misuse Prevention Fund to six recovery centers across Vermont.
- Provides \$2.7 million General Fund to migrate Vermont Health Connect to a cloud-based platform to maintain compliance with federal requirements.
- Directs an additional \$400,000 General Fund to the Vermonters Feeding Vermonters Program.
- Directs the Agency of Administration to utilize \$5.0 million of the \$50.0 million General Fund appropriation set in Sec. B.1101 of Act 27 (2025) to provide housing voucher funding.
- Restores \$1.0 million in reverted General Fund to the Land Access and Opportunity Board for the Homes for All and Secure Housing Coaching programs.
- Transfers \$1.1 million from the General Fund to the Criminal History Records Check Fund to mitigate a fund deficit and directs the Department of Public Safety to provide a sustainability plan for the Fund.

### **OTHER**

- Directs the Department of Disabilities, Aging, and Independent Living to report to committees of jurisdiction by April 15, 2026, on proposals to prevent service interruptions related to developmental services payment reform.
- Includes necessary statutory and net-neutral budgetary changes to reorganize legislative operations functions within the Office of Legislative Counsel and the Joint Fiscal Office.