



GENERAL ASSEMBLY
STATE OF VERMONT
LEGISLATIVE JOINT FISCAL COMMITTEE

Agenda

Thursday, November 8, 2018

Ethan Allen Room, State House

- 10:00 a.m. A. Call to order and approve minutes of September 27, 2018 **[APPROVED]**
- 10:05 a.m. B. Administration's Fiscal Updates
*Adam Greshin, Commissioner, and
Matt Riven, Deputy Commissioner, Department of Finance & Management*
1. FY2019 Budget Adjustment Pressures
 2. FY2020 Budget Development Process, and Projected Revenue & Expenditures
 3. Caseload Reserve and Global Commitment Fund
 4. General Fund and Education Fund Reserves [*D.109 of Act 11 of SS2018*]
 5. Movement of State Employees (National Life, Dill Building- Berlin, and Barre City Place)
Chris Cole, Commissioner, Department of Buildings & General Services
 6. Tax Computer System Modernization Fund Report [*...further amended by Sec. E.111.1 of Act 11 (H.16) of SS2018*] [*doc*]
Craig Bolio, Deputy Commissioner, Department of Taxes
- 10:50 a.m. C. Grants
1. [JFO #2933](#) - \$7,583,030 from the Centers for Disease Control and Prevention to the VT Dept. of Health. *Two (2) limited-service positions are associated with this request.* Funds and positions would be used to improve prevention and management of diabetes and cardiovascular disease in rural high-risk populations in Vermont. **[APPROVED]**
*Julie Arel, Director of Health Promotion and Disease Prevention, and
Brad O'Connor, Grants Manager, Department of Health*
 2. [JFO #2934](#) - \$8,211,854 from the Substance Abuse and Mental Health Services Administration to the VT Agency of Education to partner with the VT Dept. of Mental Health and three supervisory unions in the state to promote the improvement of mental health services and outcomes in school-age youth. *One (1) limited-service position is associated with this request.* **[APPROVED]**
*Jennifer Gresham, Agency of Education
Tracy Mongeon, Children's Mental Health Care Manager, Department of
Mental Health*

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- 11:15 a.m. D. Fiscal Officers Report - *Stephen Klein, Chief Fiscal Officer, Joint Fiscal Office*
1. Legislature's Budget Update
 2. Decarbonization Study Update
 3. Tax deductibility for Legislators
 4. State Employees and Teachers' Retirement
- 11:30 a.m. 5. Basic Needs Budget [[2 VSA § 505](#)] [APPROVED]
Proposed Changes to Methodology
Dan Dickerson
Nolan Langweil, Senior Fiscal Analyst, Joint Fiscal Office
- 11:50 a.m. 6. Grant Approval Statute Issues [*doc*]
Dan Dickerson, Fiscal Analyst, Joint Fiscal Office
Rebecca Wasserman, Legislative Counsel, Office of the Legislative Council
- 12:10 noon E. [Moody's Downgrade to Vermont's Bond Rating](#)
Beth Pearce, Vermont State Treasurer, [packet of docs]
Ashlynn Doyon, Executive Assistant, and
Scott Baker, Director of Financial Reporting, Office of the State Treasurer
- 12:30 p.m. Adjourn

updated 11/08/2018 at 4:22 p.m.

Notable Dates: All Legislative Briefing on November 28, 2018 at 10:00 a.m. in the Well of the House

Statutory Language – Agenda

B.4 REVIEW OF THE STATUTORY RESERVE LEVELS [D.109 of Act 11 of SS2018]

- (a) On or before October 31, 2018, the Joint Fiscal Office and the Department of Finance and Management shall review the statutory reserve requirements for the General Fund, the Education Fund, and the State Health Care Resources Fund, and make recommendations for changes to the existing statutory requirements, taking into consideration actions taken during the 2018 legislative session.

B.6. Tax Computer System Modernization Fund Report [Act 65, Sec. 282 of 2007 as amended by Act 63, Sec. C.103 of 2011 as amended by Sec. 65 of Act 1 of 2013, Sec. 62 of Act 95 of 2014, and Sec. 47 of Act 87 of 2018 and further amended by Sec. E.111.1 of Act 11 (H.16) of SS2018]

- (a) Creation of fund.

- (1) There is established the tax computer system modernization special fund to consist of:

- (e) The Commissioner of Taxes shall report to the Joint Fiscal Committee on fund receipts at or prior to the November Joint Fiscal Committee meeting each year until the Fund is terminated.

D.b. LEGISLATIVE BRANCH WORKFORCE COMPARATIVE EVALUATION [Sec. E.126 of Act 11 (H.16) of SS2018]

(a) The Speaker of the House and President Pro Tempore of the Senate shall contract with the National Conference of State Legislatures (NCSL) to perform a comprehensive evaluation of compensation, staffing, workload, and organization concerning the staff and offices of the Vermont General Assembly.

(c) NCSL shall submit a final written report to the Speaker of the House, the President Pro Tempore of the Senate, the Joint Fiscal Committee, the Legislative Council Committee, the Joint Information Technology Oversight Committee, the House Rules Committee, the Senate Rules Committee, and the Joint Rules Committee on or before **November 16, 2018**.

Reports

INDIVIDUAL MANDATE WORKING GROUP; REPORT Sec. 3 of Act 182 of 2018

(a) Creation. There is created the Individual Mandate Working Group to develop recommendations regarding administration and enforcement of the individual mandate to maintain minimum essential coverage.

(e) Report. On or before November 1, 2018, the **Working Group shall provide its recommendations for administration and enforcement of the individual mandate** to the House Committees on Health Care and on Ways and Means, the Senate Committees on Health and Welfare and on Finance, **the Joint Fiscal Committee**, and the Health Reform Oversight Committee.

HUMAN SERVICES alternative proposal for 12-beds [Sec. 2 of Act 190 (H.923) of 2018 amending the Sec. 3 of Act 84 of 2017]

(a) The sum of \$300,000.00 is appropriated in FY 2018 to the Department of Buildings and General Services for the Agency of Human Services for cameras, locks, perimeter intrusion at correctional facilities, and renovations to the Southeast State Correctional Facility for up to 50 beds.

~~(b) The sum of \$300,000.00 is appropriated in FY 2019 to the Department of Buildings and General Services for the Agency of Human Services for the projects described in subsection (a) of this section.~~
The following sums are appropriated in FY 2019 to the Department of Buildings and General Services for the Agency of Human Services:

(4) Brattleboro, Brattleboro Retreat, renovation and fit-up: \$4,500,000.00

(e) For the amount appropriated in subdivision (b)(4) of this section:

(5)(A) **On or before October 15, 2018**, the Secretary of Human Services shall notify the Chairs of the House Committees on Corrections and Institutions and on Health Care, and of the Senate Committees on

Health and Welfare and on Institutions if an **agreement between the Brattleboro Retreat and the State of Vermont** cannot be reached and shall submit to them an alternative proposal for the 12 beds. With approval of the Speaker of the House and the President Pro Tempore of the Senate, as appropriate, the House Committees on Corrections and Institutions and on Health Care and the Senate Committees on Health and Welfare and on Institutions may meet up to two times when the General Assembly is not in session to evaluate, approve, or recommend alterations to the proposal. Members of the House Committees on Corrections and Institutions and on Health Care, and the Senate Committees on Health and Welfare and on Institutions shall be entitled to receive a per diem and expenses as provided in 2 V.S.A. § 406.

(B) The Secretary of Human Services shall **submit a copy of the alternative proposal** described in subdivision (A) of this subdivision (5) to the Joint Fiscal Committee.

CHILD CARE FINANCIAL ASSISTANCE PROGRAM ADJUSTMENTS [Sec. E.318.1 of Act 11 (H.16) of SS2018]

(a) Of the funds appropriated in Sec. B.318 of this act, \$738,511 is allocated consistent with provisions related to the Child Care Financial Assistance Program in any legislation enacted in 2018 pertaining to Vermont's minimum wage, to allow the Commissioner for Children and Families to:

(1) adjust the sliding scale of the Child Care Financial Assistance Program benefit to correspond with the increase in minimum wage to \$10.50 as of July 1, 2018 and to \$11.10 as of January 1, 2019, to ensure that the benefit percentage at each new minimum wage level remains the same as the percentage applied under the former minimum wage; and

(2) adjust the market rate used to inform the fee scale in a manner that offsets the estimated increased cost of child care in Vermont resulting from the increase in minimum wage to \$10.50 as of July 1, 2018 and to \$11.10 as of January 1, 2019.

(b) In November 2018 and each year thereafter until 2021, the Department shall report to the Joint Fiscal Committee regarding the projected cost to:

(1) adjust the sliding scale of the Child Care Financial Assistance Program benefit to correspond with a statutorily required increase in the minimum wage for January 1, 2020 and for each year thereafter until 2023 that ensures that the benefit percentage at a new minimum wage level remains the same as the percentage applied under the former minimum wage; and

(2) adjust the market rate used to inform the fee scale in a manner that offsets the estimated increased cost of child care in Vermont resulting from a statutorily required increase in the minimum wage for January 1, 2020 and for each year thereafter until 2023.

Participant Directed Attendant Care (PDAC) Program [Sec. E.330 of Act 11 (H.16) of SS2018] [No report submitted because there were no funds transferred]

(a) The Department of Disabilities, Aging, and Independent Living shall continue to operate the participant directed attendant care program and shall not reduce an enrolled individual's level of services in fiscal year 2019. The Agency of Human Services shall ensure that adequate funding is available to the Department for the operation of this program for fiscal year 2019 and shall report to the Joint Fiscal Committee in November 2018 any necessary funding transfers from within the Agency needed to meet this requirement.

(b) The Department shall make a determination regarding the clinical and financial eligibility of each currently enrolled individual for the Medicaid Choices for Care program or any other program that could provide the necessary attendant care services. The Department shall report to the Joint Fiscal Committee in September 2018 on the status of these determinations.

[Annual Report on Pay Act Allocations \[3 V.S.A. § 2281\] \[Department of Finance\]](#)[\[Received\]](#)

The Department of Finance and Management is created in the Agency of Administration and is charged with all powers and duties assigned to it by law, including the following:

(4) To report on an annual basis to the Joint Fiscal Committee at its November meetings on the allocation of funds contained in the annual pay acts and the allocation of funds in the annual appropriations act which relate to those annual pay acts. The report shall include the formula for computing these funds, the basis for the formula, and the distribution of the different funding sources among state agencies. The report shall also be submitted to the members of the House and Senate Committees on Government Operations and Appropriations. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subdivision.

[Quarterly report of costs and expenditures for proceedings of the Federal Energy Regulatory Commission \[30 V.S.A. § 20\] \[Public Service Department and Board\]](#) [\[Received\]](#)

§ 20. PARTICULAR PROCEEDINGS AND ACTIVITIES; PERSONNEL

(a)(1) The Board or the Department of Public Service may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, temporary employees, and other research, scientific, or engineering services:

(b) Proceedings, including appeals therefrom, for which additional personnel may be retained are:

(9) proceedings at the Federal Energy Regulatory Commission which involve Vermont utilities or which may affect the interests of the state of Vermont. Costs under this subdivision shall be charged to the involved electric or natural gas companies pursuant to subsection 21(a) of this title. In cases where the proceeding is generic in nature the costs shall be allocated to electric or natural gas companies in proportion to the benefits sought for the customers of such companies from such advocacy. The public service board and the department of public service shall report quarterly to the joint fiscal committee all costs incurred and expenditures charged under the authority of this subsection, and the purpose for which such costs were incurred and expenditures made;

Small Grants Quarterly Report [32 V.S.A. § 5] [Joint Fiscal Office]

- (a) No original of any grant, gift, loan, or any sum of money or thing of value may be accepted by any agency, department, commission, board, or other part of state government except as follows:

- (3)(A) This section shall not apply to the following items, provided that the acceptance of those items will not incur additional expense to the State or create an ongoing requirement for funds, services, or facilities:

- (B) The Secretary of Administration and Joint Fiscal Office shall be promptly notified of the source, value, and purpose of any items received under this subdivision. The Joint Fiscal Office shall report all such items to the Joint Fiscal Committee quarterly. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subdivision.

Quarterly report on excess receipts [32 V.S.A. § 511] [Department of Finance] [Received]

All special funds shall be organized and managed in accordance with the provisions of this section.

- (1) Purpose and identification. Each special fund shall be established for a specific purpose, identified by a unique name, and managed on the State Central Accounting System under the control of the Commissioner with the actual monies held under the authority and responsibility of the State Treasurer.
- (2) Receipts. Each special fund shall consist of receipts specified upon its creation and of transfers from other funds as authorized by the General Assembly or by the Secretary of Administration or the Emergency Board pursuant to section 706 of this title.

- (6) Accounting and reporting.
- (A) Each special fund shall be accounted for under the direction of the Commissioner, and the balance at the end of the prior fiscal year shall be reported to the Joint Fiscal Committee on or before December 1 of each year.
- (B) In addition, the Commissioner shall annually report a list of any special funds created during the fiscal year. The list shall furnish for each fund: its name; authorization; and revenue source or sources. The report for the prior fiscal year shall be submitted to the General Assembly through the Joint Fiscal Committee on or before December 1 of each year.

Special funds balance and list of funds created [32 V.S.A. § 588] [Department of Finance] [received]

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[Global Commitment Fund Estimated Fiscal Yearend Report of Managed Care Investments.](#)
[\[33 V.S.A. § 1901e\(c\)\] \[Agency of Human Services\] \[received\]](#)

- (a) The Global Commitment Fund is created in the Treasury as a special fund. The Fund shall consist of the revenues received by the Treasurer as payment of the actuarially certified premium from the Agency of Human Services to the managed care organization within the Department of Vermont Health Access for the purpose of providing services under the Global Commitment for Health waiver approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

- (c) Annually on or before October 1, the agency shall provide a detailed report to the joint fiscal committee which describes the managed care organization's investments under Term and Condition 57 of the Global Commitment for Health Medicaid Section 1115 waiver, including the amount of the investment and the agency or departments authorized to make the investment.