



STATE OF VERMONT
GENERAL ASSEMBLY
LEGISLATIVE JOINT FISCAL COMMITTEE

Agenda

Monday, July 29, 2019

Room 10, State House

- 9:30 a.m. A. Call to order and approve [minutes of November 8, 2018](#); and February 13, 2019.
[Approved]
- 9:35 a.m. B. Administrations Fiscal Updates
1. Fund Transfers, Reversions, Reserves ([unencumbered balances report](#)) [Sec. D.101 of Act 11 (H.16) of SS2018 amended by Sec. 56 of Act 6 (H.532) of 2019 further amended by Sec. C.102 of Act 72 (H.542) of 2019]
 2. FY 2019 Preliminary Close-Out [[report](#)] [Sec. C.102.1 of Act 72 of 2019]
 - a. Merging of General Fund & Health Care Resources Fund [[report](#)] [Sec. E.300.1 of Act 72 of 2019]
 - b. 5-Year Spending Analysis
 - c. FY2019 Transportation Fund Close-out [[report](#)] [Sec. 80 of Act 6 of 2019]
*Adam Greshin, Commissioner, and
Matt Riven, Deputy Commissioner, Dept. of Finance & Management*
- 10:05 a.m. 3. Human Services FY 2019 Preliminary Close-out
- a. Year-end Medicaid [[report](#)] [32 V.S.A. Sec. 305a.]; Status of Choice for Care to DDAIL from DVHA
*Sarah Clark, Chief Financial Officer, Agency of Human Services
Nolan Langweil, Senior Fiscal Analyst, Joint Fiscal Office*
 - b. Agency in Total [[presentation](#)]
*Martha Marksym, Acting Secretary, and
Sarah Clark, Chief Financial Officer, Agency of Human Services*
- 10:30 a.m. C. Proposed plan for an electronic medical/health records system for the State's Designated Agency's [Sec. C.100(a)(10) of Act 72 (H.542) 2019]
[Approved with the the request that the DA's continue to work with the AHS and JFO to allow continued project review regarding the change in estimates/true costs and the single point of accountability]
[\[Plan\]](#) [\[Smith Memo\]](#) [\[AHS Memo\]](#)
*Sarah Squirrel, Commissioner, Department of Mental Health
Jenney Samuelson, Deputy Commissioner, Dept. of Vermont Health Access
Simone Rueschemeyer, Executive Director, and* *[next page]*

Ken Gingras, Health Information Technology Director, Vermont Care Network/Vermont Care Partners
Dan Smith, Contractor, Joint Fiscal Office

- 11:15 a.m. D. Fitch Rating for Vermont [[report](#)] – *Beth Pearce, Vermont State Treasurer*
- 11:30 a.m. E. July 2019 Economic Review and Revenue Forecast [Update](#)
Tom Kavet, Legislature’s Economist
- 12:00 p.m. F. Cost-Effectiveness of Lake Champlain Cleanup Efforts [[PR](#)] [[report](#)] [[graph](#)]
Doug Hoffer, Vermont State Auditor
- 12:10 p.m. *Emily Boedecker, Commissioner, Department of Environmental Conservation*
- 12:20 p.m. G. Correctional Facility Assessment [Sec. 2 of Act 42 (H.543) of 2019] [**tabled until September Meeting**] [BGS and the Joint Justice Oversight Recommendation] [[Wasserman Memo](#)]
- 12:40 p.m. H. Fiscal Officer’s [Report](#) – *Stephen Klein, Chief Fiscal Officer, Joint Fiscal Office*
1. Education Fund Update – *Chloe Wexler, Fiscal Data Analyst, Joint Fiscal Office*
- 12:55 p.m. Next meeting and adjourn September 16 and November 1

Note: The Emergency Board met at 2:00 p.m. in the Pavilion Office Building, 5th floor conference room.

Notable Dates:

December 4 – All Legislative Briefing at 10:00 a.m. in the Well of the House

December 16 – 19 – House Appropriations Committee FY 2020 Budget Adjustment meetings.

Statutory References to Agenda Items

B.1. – [Sec. D.101 of Act 11 \(H.16\) of SS2018](#) amended by [Sec. 56 of Act 6 \(H.532\) of 2019](#) further amended by [Sec. C.102 of Act 72 \(H.542\) of 2019](#) (*Unencumbered Balances*)

Sec. D.101 FUND TRANSFERS, REVERSIONS, AND RESERVES

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(2) The following estimated amounts, which may be all or a portion of unencumbered fund balances, shall be transferred from the following funds to the General Fund in fiscal year 2020. The

Commissioner of Finance and Management shall report to the Joint Fiscal Committee at its July meeting the final amounts transferred from each fund and certify that such transfers will not impair the agency, office, or department reliant upon each fund from meeting its statutory requirements.

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B.2. – [Sec. C.102.1 of Act 72 of 2019](#)

Sec. C.102.1 CONTINGENT TRANSFERS (a) In fiscal year 2019, of the unreserved and undesignated end of fiscal year General Fund surplus remaining after satisfying the requirements of 32V.S.A. §308, notwithstanding 32 V.S.A. §308c:

(1) First: fifty percent shall be transferred from the General Fund to the Vermont State Employees' Postemployment Benefits Trust Fund established by 3 V.S.A. § 479a;(2) Second: an amount of \$9,400,000 shall be transferred to the AHS Federal Receipts Holding Account; and (3) Third: any remaining unreserved and undesignated end of fiscal year General Fund surplus shall be reserved in the General Fund Balance Reserve.

B.2.a. – [Sec. E.300.1 of Act 72 \(H.542\) of 2019](#)

Sec. E.300.1 TRANSITION OF STATE HEALTH CARE RESOURCES FUND REVENUES TO THE GENERAL FUND

(a) The Department of Finance and Management shall report the total statewide revenues received from each of the following revenue sources both historically and prospectively and compare those amounts to the total amount of State fund sources appropriated in Sec. B.301 of this act, as amended by 2019 Acts and Resolves No. 6:

- (1) all revenue from cigarette and tobacco products taxes levied pursuant to 32 V.S.A. chapter 205;
- (2) all revenue from health care provider assessments pursuant to 33 V.S.A. chapter 19, subchapter 2;
- (3) all revenue from the Employers' Health Care Fund contribution pursuant to 32 V.S.A. chapter 245; and
- (4) all revenue from health care claims assessments pursuant to 32 V.S.A. § 10402.

(b) The State agency or department to which the revenue is remitted shall maintain the same level of accounting detail for each of the revenue sources listed in subdivisions (a)(1)–(4) of this section as was maintained prior to July 1, 2020.

B.2.c. – [Sec. 80 of Act 6 \(H.532\) of 2019](#) (*Transportation*)

Sec. 80 SUPPLEMENTAL MAINTENANCE SPENDING

(a) Notwithstanding 32 V.S.A. § 706 and the limits on program, project, or activity spending authority approved in the fiscal year 2019 Transportation Program, the Secretary of Transportation, with the approval of the Secretary of Administration and subject to the provisions of subsection (b) of this

section, may transfer up to \$2,500,000 in Transportation Fund appropriations, other than appropriations for the Town Highway State Aid, Structures, and Class 2 roadway programs, to the Transportation – Maintenance State System (8100002000) appropriation, for the specific purpose of addressing the overall cost of highway maintenance during fiscal year 2019.

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(c) In July 2019, the Secretary of Administration shall report all appropriations reductions made under the authority of this section to the Joint Fiscal Office, the Joint Fiscal Committee, and the Joint Transportation Oversight Committee.

B.3.a. – [32 V.S.A. Sec. 305a.](#) (*Year-end Medicaid*)

§ 305a. Official State revenue estimate

(a) On or about January 15 and again by July 31 of each year, and at such other times as the Emergency Board or the Governor deems proper, the Joint Fiscal Office and the Secretary of Administration shall provide to the Emergency Board their respective estimates of State revenues in the General, Transportation, Transportation Infrastructure Bond, Education, and State Health Care Resources Funds. The January revenue estimate shall be for the current and next two succeeding fiscal years, and the July revenue estimate shall be for the current and immediately succeeding fiscal years. Federal fund estimates shall be provided at the same times for the current fiscal year. Global Commitment Fund estimates shall be provided in January for the current and immediately succeeding fiscal year and in July for the current fiscal year.

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(c)(1)(A) The January estimates shall include estimated caseloads and estimated per-member per-month expenditures for the current and next succeeding fiscal years for each Medicaid enrollment group as defined by the Agency and the Joint Fiscal Office for State Health Care Assistance Programs or premium assistance programs supported by the State Health Care Resources and Global Commitment Funds, and for the programs under any Medicaid Section 1115 waiver.

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(2) In July, the Administration and the Joint Fiscal Office shall make a report to the Emergency Board on the most recently ended fiscal year for all Medicaid and Medicaid-related programs, including caseload and expenditure information for each Medicaid eligibility group. Based on this report, the Emergency Board may adopt revised estimates for the current fiscal year and estimates for the next succeeding fiscal year. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

C. – [Sec. C.100\(a\)\(10\) of Act 72 \(H.542\) of 2019](#) (*Electronic Health Records Plan*)

Sec. C.100 FISCAL YEAR 2019 ONE-TIME APPROPRIATIONS

(a) In fiscal year 2019, funds are appropriated from the General Fund as follows:

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(10) To the Agency of Human Services: \$1,500,000 to fund grants for the development of an electronic medical/health records system for the State's Designated Agency system.

(A) Vermont Care Partners and the Agency of Human Services shall present a plan for review and approval by the **Joint Fiscal Committee at its July 2019 meeting**. The plan shall summarize the development and implementation of the system and demonstrate that this project will support the goals set forth in the statewide Health Information Technology (HIT) Plan (defined in 18 V.S.A. § 9351) and meet, at a minimum, the connectivity requirements set forth in the statewide HIT plan and the requirements of the Centers for Medicaid Services (CMS). The plan shall support current payment reform initiatives and include the projected project timeline and total budget including the allocation of this appropriation. No funds shall be released prior to review and approval by the Joint Fiscal Committee.

G. – [Sec. 2 of Act 42 \(H.543\) of 2019](#) (*Correctional Assessment*)

Sec. 2. STATE BUILDINGS

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(d) For the amount appropriated in subdivision (b)(4) of this section, the Commissioner of Buildings and General Services is authorized to use up to \$200,000.00 to assess relative costs and resource requirements for potential construction of a correctional facility that ranges in scale in order to accommodate the results of the Council of State Governments' study described in Sec. 28 of this act; provided, however, that the funds shall only become available after approval by the Joint Fiscal Committee and the Joint Legislative Justice Oversight Committee. On or before March 15, 2020, the Commissioner shall submit a copy of the assessment to the House Committee on Corrections and Institutions and the Senate Committee on Institutions.

Appropriation – FY 2020	\$20,323,423.00
Appropriation – FY 2021	\$21,325,813.00
Total Appropriation – Section 2	\$41,649,236.00

H. – [Sec. 88 of Act 6 \(H.532\) of 2019](#) (*UVM Study*)

Sec. 88. FISCAL YEAR 2019 ONE-TIME APPROPRIATIONS AND TRANSFERS FROM THE GENERAL FUND

(a) The following appropriations are made from the General Fund in fiscal year 2019:

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(6) To the Joint Fiscal Office: \$275,000 to be allocated as follows for studies that will be comprehensively defined in the fiscal year 2020 budget process:

(A) \$250,000 to be reserved to fund contracted services for research and findings to identify and examine the factors contributing to Vermont's high rate of children entering the custody of the State. Such research shall study the preventive and upstream services and interventions provided to families and the extent to which these supports to families have demonstrated effectiveness in allowing children to remain with their families. Policy recommendations resulting from this research are intended to inform funding decisions regarding these services to ensure the safety of Vermont's vulnerable children and to enhance the long-term stability and well-being of these families.

(B) \$25,000 to be reserved to fund contracted services for research and findings related to the detention population of the Department of Corrections (DOC) and policy recommendations to reduce this population and/or reduce the need for DOC in-state bed capacity for this population. The report shall be submitted to the General Assembly on or before December 15, 2019.

Reports

§ 20. Particular proceedings and activities; personnel

Citation: [30 V.S.A. § 20. PARTICULAR PROCEEDINGS AND ACTIVITIES; PERSONNEL](#) [[Report Link](#)]

(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:

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(2) The agency of natural resources may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, temporary employees, and other research, scientific or engineering services to:

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(C) assist the Board or the Department of Public Service in any proceedings described in subdivisions (b)(9) (Federal Energy Regulatory Commission) and (11) (Nuclear Regulatory Commission) of this section. Allocation of agency of natural resources costs under this subdivision (C) shall be in the same manner as provided under subdivisions (b)(9) and (11) of this section. **The agency of natural resources shall report annually to the joint fiscal committee all costs incurred and expenditures charged under the authority of this subsection with respect to proceedings under subdivision (b)(9) of this section and the purpose for which such costs were incurred and expenditures made.**

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

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(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.**

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Acceptance of grants and procedures [Small Grants]

Citation: [32 V.S.A. Sec. 5](#) as amended by [Sec. E.127.2 of Act 72 \(H.542\) of 2019](#)

[\[Report Link\]](#)

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(ii) The Joint Fiscal Office shall report all items received under this subdivision 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.

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§ 511. Excess receipts

Citation: [32 V.S.A. § 511. Excess Receipts](#)

[\[Report Link\]](#)

If any receipts including federal receipts exceed the appropriated amounts, the receipts may be allocated and expended on the approval of the Commissioner of Finance and Management. If, however, the expenditure of those receipts will establish or increase the scope of the program, which establishment or increase will at any time commit the State to the expenditure of State funds, they may only be expended upon the approval of the General Assembly. Excess federal receipts, whenever possible, shall be utilized to reduce the expenditure of State funds. **The Commissioner of Finance and Management shall report to the Joint Fiscal Committee quarterly with a cumulative list and explanation of the allocation and expenditure of such excess receipts.** The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this section.

CORRECTIONS APPROPRIATIONS; TRANSFER; REPORT

Citation: [Sec. E.335 of Act 11 of SS2018](#)

[\[Report Link\]](#)

(a) In fiscal year 2019, the Secretary of Administration may, upon recommendation of the Secretary of Human Services, transfer unexpended funds between the respective appropriations for correctional services and for correctional services out-of-state beds. At least three days prior to any such transfer

being made, the Secretary of Administration shall report the intended transfer to the Joint Fiscal Office and shall report any completed transfers to the Joint Fiscal Committee at its next scheduled meeting.

Interim Reports

[distributed after November 2018 meeting]

Vermont Enhanced 9-1-1 Board ([Addendum May 2019](#)). Redundancy and Resiliency in Vermont's 9-1-1 System ([Report Sept. 2018](#)) – Addendum to 2018 report.