

SEN. ANN CUMMINGS, CHAIR
REP. CATHERINE TOLL, VICE-CHAIR
REP. JANET ANCEL
SEN. TIMOTHY ASHE
REP. PETER FAGAN, CLERK



REP. MARY HOOPER
SEN. M. JANE KITCHEL
REP. BILL LIPPERT
SEN. RICHARD SEARS
SEN. RICHARD WESTMAN

STATE OF VERMONT
GENERAL ASSEMBLY
LEGISLATIVE JOINT FISCAL COMMITTEE

Agenda

Monday, September 16, 2019

Room 10, State House

- 9:30 a.m. A. Call to order and approve minutes of July 29, 2019 [**Approved w/amendment**]
- 9:35 a.m. B. Administrations Fiscal Updates
*Adam Greshin, Commissioner, and
Matt Riven, Deputy Commissioner, Department of Finance & Management*
1. General Fund and Transportation Fund Balance Reserves
[32 VSA Sec. 308c(d)] [[General Fund](#)] [[Transportation Fund](#)]
 2. 27/53 Reserve [32 V.S.A. Sec. 308e(a)(2)] [[Report](#)]
 3. Special Fund Issues, including Universal Service Fund Land Lines
[summary – forthcoming]
 4. VEDA's Farm Operating Loan Program 2018 Report Update
[Sec. C.1000(a)(11) of Act 11 of SS2018]
Cassie Polhemus, CEO, VEDA [[memo](#)]
 5. Transportation (FY20 rescission plan) [Sec. 704 of 32 V.S.A.] [[plan](#)]
- 10:15 a.m. C. FY 2021 Revenue and Expenditure Trends [[presentation](#)]
Stephanie Barrett, Associate Fiscal Officer, Joint Fiscal Office
- 10:30 a.m. D. Correctional Facility Assessment [**Approved**] [[JLJOC Motion](#)] [Sec. 2 of Act 42 (H.543) of 2019]
*Sen. Dick Sears, Chair, and
Rep. Alice Emmons, Vice -chair, JT Legislative Justice Oversight Committee
Michael Touchette, Commissioner, Department of Corrections*
- 10:45 a.m. E. Integrated Eligibility and Enrollment System [[ADS/AHS Report](#)] [[Dan Smith Memo](#)]
[**Approved w/JITOC recommend**] [Sec. 3 of Act 42 (H.543) of 2019] [[JITOC memo](#)]
[[AHS Presents](#)] [[Report Exec. Summary Update](#)]
*Cassandra Madison, Deputy Commissioner of Healthcare Eligibility & Enrollment, Department of Vermont Health Access
John Quinn, Secretary, Agency of Digital Services* [next page]

- 11:15 a.m. F. VEGI Cost Benefit Model Updates [**Approved w/Kavet recommend**] [32 V.S.A. Sec. 3326(b)]
[\[VEPC Memo\]](#) [\[Kavet Memo\]](#)
Ken Jones, Economic Research Analyst, and
Megan Sullivan, Executive Director, Vermont Economic Progress Council
- 11:25 a.m. G. VEPC Response to Performance Audit of the St. Albans Tax Increment Financing (TIF) district and potential changes to the TIF rule. [testimony – forthcoming]
1. Megan Sullivan
2. Michael Keane, Vice-Chair, VEPC Board Member, Bennington County
3. Doug Hoffer, State Auditor
- 11:50 a.m. H. Federal Single Audit Review Report [Sec. E.100.5 of Act 172 of 2016 as recommended by the JFC Subcommittee on 9/15/2016] [\[Summary\]](#)
Andrew Stein, Deputy State Auditor
- 12:00 noon I. **JFO #2970** – \$3,363,695 from the U.S. Dept. of Health and Human Services – Administration for Children and Families to the VT Dept. of Children and Families (DCF). [\[Grant received 8/20/2019\]](#) [**Approved**]
Ken Schatz, Commissioner, Department for Children & Families
Dr. Morgan Crossman, Executive Director of Building Bright Futures
- 12:15 p.m. J. **JFO #2971** - \$56,500 from the Northern Border Regional Commission in Concord, NH to the VT ACCD Department of Economic Development to help fund the development of a statewide prioritization plan of community and economic development projects. [\[Grant received 8/22/2019\]](#) [**Approved**]
Joan Goldstein, Commissioner, Department of Economic Development
- 12:30 p.m. K. [Fiscal Officer's Report](#) – Stephen Klein, Chief Fiscal Officer, Joint Fiscal Office
- 12:55 p.m. Adjourn

Next Meeting: November 1st in the BGS Boardroom, 133 State Street, 4th Floor

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 - 32 V.S.A. Sec. 308c(d)

§ 308c. General Fund and Transportation Fund Balance Reserves

(a) There is hereby created within the General Fund a General Fund Balance Reserve, also known as the "Rainy Day Reserve." After satisfying the requirements of section 308 of this title, and after other reserve requirements have been met, any remaining unreserved and undesignated end of fiscal year General Fund surplus shall be reserved in the General Fund Balance Reserve. The General Fund Balance Reserve shall not exceed five percent of the appropriations from the General Fund for the prior fiscal year without legislative authorization.

(d) Determination of the amounts of the General Fund and Transportation Fund Balance Reserves shall be made by the Commissioner of Finance and Management and reported, along with the amounts appropriated pursuant to subsection (a) of this section, to the legislative Joint Fiscal Committee at its first meeting following September 1 of each year.

B.2. - 32 V.S.A. Sec. 308e(a)(2)

§ 308e. 27/53 RESERVE

(a)(1) There is hereby created within the General Fund a 27/53 Reserve. The purpose of this reserve is to meet the liabilities of the reoccurring 27th State payroll and the 53rd week of Medicaid payments. These liabilities will be funded by reserving a prorated amount of General Fund each year, before the liability comes due.

(2) Beginning in September, 2016 and annually thereafter at the September Joint Fiscal Committee meeting, the Commissioner of Finance and Management will report on the anticipated liability for the next 27th payroll and 53rd week of Medicaid Payments, provide the current reserve balance and a schedule of annual amounts needed to meet the obligation of these payments.

(b) As part of the Governor's budget submission under section 306 of this title, the amount prorated for the upcoming fiscal year identified in subdivision (a)(2) of this section shall be included as an appropriation and transferred to the 27/53 Reserve.

(c) In a fiscal year where a 27th State payroll or 53rd week of Medicaid payment is due, the General Assembly shall appropriate the funds from the 27/53 Reserve to meet the expenditures within the year that these payments are due.

B.4 - Sec. C.1000(a)(11) of Act 11 of SS2018

* * *

(11) To the Vermont Economic Development Authority (VEDA) to be used by VEDA's agricultural subsidiary the Vermont Agricultural Credit Corporation (VACC) established under 10 V.S.A. § 374a. These funds are for a loss reserve in the 2018 Farm Operating Program which provides Vermont cow dairy farmers with loans to spring operating and related needs including refinancing debt. VEDA shall report to the Emergency Board at its July 2018 meeting on final program design and the use of these funds. \$250,000

* * *

B.5 - 32 V.S.A. § 704.

Interim budget and appropriation adjustments (Transportation FY20 rescission plan)

* * *

(b)(1) Except as otherwise provided in subsection (f) of this section, in each instance that the official State revenue estimate for the General Fund, the Transportation Fund, or federal funds has been reduced by one percent or more from the estimates determined and assumed for purposes of the current fiscal year's appropriations, the Secretary of Administration shall prepare an expenditure reduction plan for approval by the Joint Fiscal Committee, provided that any total reductions in appropriations and transfers of funds are not greater than the reductions in the official State revenue estimate.

(2) In each instance that the official State revenue estimate for the General Fund, the Transportation Fund, or federal funds has been reduced by less than one percent from the estimates determined and assumed for purposes of the current fiscal year's appropriations, the Secretary of Administration may prepare and implement an expenditure reduction plan without the approval of the Joint Fiscal Committee, provided that any total reductions in appropriations and transfers of funds are not greater than the reductions in the official State revenue estimate. The Secretary may implement an expenditure reduction plan under this subdivision if plan reductions to the total amount appropriated in any section or subsection do not exceed five percent, the plan is designed to minimize any negative effects on the delivery of services to the public, and the plan does not have any unduly disproportionate effect on any single function, program, service, benefit, or county. Plans not requiring the approval of the Joint Fiscal Committee shall be filed with the Joint Fiscal Office prior to implementation. If the Secretary's plan consists of reductions greater than five percent to the total amount appropriated in any section or subsection, such plan shall only be implemented in the manner provided for in subdivision (1) of this subsection.

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

Sec. 2. STATE BUILDINGS

* * *

(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 |

E. - [Sec. 3 of act 42 \(H.543\) of 2019](#)

Sec. 3. HUMAN SERVICES

(a) The following sums are appropriated in FY 2020 to the Department of Buildings and General Services for the Agency of Human Services for the following projects described in this subsection:

* * *

(b) The sum of \$4,750,000.00 is appropriated in FY 2020 to the Agency of Human Services for the Department of Vermont Health Access, Integrated Eligibility and Enrollment system.

* * *

(e) For the project described in subsection (b) of this section:

(1) Installments. The funds shall be appropriated in three installments, as follows:

(A) \$3,250,000.00 upon passage of the act, which shall include \$250,000 to be used as described in Sec. 32 of this act (First Installment);

(B) \$750,000.00 following Joint Fiscal Committee approval to release the funds at its September meeting (Second Installment); and

(C) \$750,000.00 following Joint Fiscal Committee approval to release the funds at its November meeting (Third Installment).

(2) Reports. **On or before September 1 and November 1**, the Secretary of Human Services and the Secretary of Digital Services shall submit a report on the status of the project. The September and November reports shall include status updates on the projects scheduled for completion in calendar year 2019, as described in the memo from the IT Consultant for the Joint Fiscal Office to the Legislative Joint Fiscal Office, dated April 5, 2019. The September and November reports shall be submitted to the Chair and Vice Chair of the Joint Information Technology Oversight Committee and the Chairs of the House Committees on Corrections and Institutions and on Health Care and the Senate Committees on Health and Welfare and on Institutions. A copy of each report shall also be submitted to the Joint Fiscal Committee.

(3) Recommendations and approvals.

(A) **Prior to the September meeting of the Joint Fiscal Committee**, the Chair and Vice Chairs of the Joint Information Technology Oversight Committee and the Chairs of the House Committees on Corrections and Institutions and on Health Care and the Senate Committees on Health and Welfare and on Institutions shall provide recommendations to the Joint Fiscal Committee on whether to approve the Second Installment. The Joint Fiscal Committee at its September meeting shall review the report described in subdivision (2) of this subsection (f), consider the recommendations described in this subdivision (3)(A), and vote on whether to approve the Second Installment.

(B) **Prior to the November meeting of the Joint Fiscal Committee**, the Chair and Vice Chairs of the Joint Information Technology Oversight Committee, the Chairs of the House Committees on Corrections and Institutions and on Health Care, and the Senate Committees on Health and Welfare and on Institutions, shall provide recommendations to the Joint Fiscal Committee on whether to approve the Third Installment. The Joint Fiscal Committee shall review at its November meeting the report described in subdivision (2) of this subsection (f), consider the recommendations described in this subdivision (3)(B), and vote on whether to approve the Third Installment.

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F. - [32 V.S.A. Sec. 3326\(b\)](#)

§ 3326. COST-BENEFIT MODEL

(a) The Council shall adopt and maintain a cost-benefit model for assessing and measuring the projected net fiscal cost and benefit to the State of proposed economic development activities.

(b) The Council shall not modify the cost-benefit model without the prior approval of the Joint Fiscal Committee.

H. - Sec. E.100.5 of Act 172 of 2016, [[JFC Subcommittee recommendations submitted 9/15/2016](#)]

Sec. E.100.5 FEDERAL SINGLE AUDIT REVIEW

(a) At its July 2016 meeting, the Joint Fiscal Committee shall review the fiscal year 2015 Federal Single Audit. In doing so, the Committee shall consider the following:

- (1) the audit findings of significant deficiencies, particularly those programs where material weaknesses are identified that result in an adverse opinion for the State;
- (2) the Administration's response to such findings;
- (3) any repeat findings which were made;
- (4) specific plans for remediation of any audit deficiencies; and
- (5) any implications for the fiscal year 2016 audit and implications for governmental operations generally.

****Note:** The Joint Fiscal Committee, consistent with the direction of Sec. E.100.5 of Act 172 of 2016 will continue to annually receive a presentation on the Federal Single Audit at its July or September meeting.

Reports

Complex Litigation Special Fund

Citation: [3 V.S.A. § 167a.](#)

[\[Report Link\]](#)

(a) There is established the Complex Litigation Special Fund pursuant to 32 V.S.A. chapter 7, subchapter 5 to be available for expenditure by the Attorney General, as annually appropriated or authorized pursuant to 32 V.S.A. § 511, to pay nonroutine expenses, not otherwise budgeted, incurred in the investigation, prosecution, and defense of complex civil and criminal litigation. These expenses may include, for example, costs incurred for expert witnesses and for support staff and technology needed to review and manage voluminous documents in discovery and at trial in complex cases.

* * *

(d) The Attorney General shall submit a report of the amount and purpose of expenditures from the Fund at the close of each fiscal year to the Joint Fiscal Committee annually on or before September 1. As part of the annual budget submission, the Attorney General shall include a projection of the Fund balance for the current fiscal year and upcoming fiscal year and may recommend appropriations as needed consistent with the purpose of the Fund.

Green Mountain Care Board and Department of Financial Regulation – Bill-back Report

Citation: [18 V.S.A. Sec. 9374](#)

[\[Report Link\]](#)

§ 9374. BOARD MEMBERSHIP; AUTHORITY

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(h)(1) Except as otherwise provided in subdivision (2) of this subsection, expenses incurred to obtain information, analyze expenditures, review hospital budgets, and for any other contracts authorized by the Board shall be borne as follows:

* * *

(4)(A) Annually on or before September 15, the Board and the Department of Financial Regulation shall report to the House and Senate Committees on Appropriations the total amount of all expenses eligible for allocation pursuant to this subsection (h) during the preceding State fiscal year and the total amount actually billed back to the regulated entities

during the same period. 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.

(B) The Board and the Department shall also present the information required by this subsection (h) to the Joint Fiscal Committee annually at its September meeting.

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Clean Water Investment Report

[\[Report Link\]](#)

Citation: [10 V.S.A. Sec. 1389a](#) as amended by Sec. 10 of Act 76 (S.96) of 2019

(a) Beginning on January 15, 2017, and annually thereafter, the Secretary of Administration shall publish a Clean Water Investment Report. The Report shall summarize all investments, including their cost-effectiveness, made by the Clean Water Fund Board and other State agencies for clean water restoration over the prior calendar year. The Report shall include expenditures from the Clean Water Fund, the General Fund, the Transportation Fund, and any other State expenditures for clean water restoration, regardless of funding source.

* * *

(b) The Report shall include:

* * *

(6) Beginning January 2023, a summary of the administration of the grant programs established under sections 925–928 of this title, including whether these grant programs are adequately funding implementation of the Clean Water Initiative and whether the funding limits for the Water Quality Enhancement Grants under subdivision 1389(e)(1)(D) of this title should be amended to improve State implementation of the Clean Water Initiative.

* * *

(d)(1) The Secretary of Administration shall develop and use a results-based accountability process in publishing the annual report required by subsection (a) of this section.

* * *

(3) On or before September 1 of each year, the Secretary of Administration shall submit to the Joint Fiscal Committee an interim report regarding the information required under subdivision (b)(5) of this section relating to available federal funding.

Joint Report of VEPC and Department of Tax on the VEGI Program

[32 V.S.A. Sec. 3340\(a\)](#)

[\[Report Link\]](#)

3340. REPORTING

(a) On or before September 1 of each year, the Vermont Economic Progress Council and the Department of Taxes shall submit a joint report on the incentives authorized in this subchapter to the House Committees on Ways and Means, on Commerce and Economic Development, and on Appropriations, to the Senate Committees on Finance, on Economic Development, Housing and General Affairs, and on Appropriations, and to the Joint Fiscal Committee.

(b) The Council and the Department shall include in the joint report:

* * *

Health IT-Fund

[32 V.S.A. Sec. 10301\(g\)](#)

[\[Report Link\]](#)

10301. Health IT-Fund

(a) The Vermont Health IT-Fund is established in the State Treasury as a special fund to be a source of funding for Medical Health Care Information Technology Programs and initiatives such as those outlined in the Vermont Health Information Technology Plan administered by the Secretary of Administration or designee. One hundred percent of the Fund shall be disbursed for the advancement of health information technology adoption and utilization in Vermont as appropriated by the General Assembly, less any disbursements relating to the administration of the Fund. The Fund shall be used for loans and grants to health care providers pursuant to section 10302 of this chapter and for the development of programs and initiatives sponsored by VITL and State entities designed to promote and improve health care information technology, including:

* * *

(g) The Secretary of Administration or his or her designee shall submit an annual report on the receipts, expenditures, and balances in the Health IT-Fund to the Joint Fiscal Committee at its September meeting and to the Green Mountain Care Board. The report shall include information on the results of an annual independent study of the effectiveness of programs and initiatives funded through the Health IT-Fund, with reference to a baseline, benchmarks, and other measures for monitoring progress and including data on return on investments made.

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General Assistance Program Report

[33 V.S.A. § 2115](#)

[\[Report Link\]](#)

§ 2115. GENERAL ASSISTANCE PROGRAM REPORT

On or before of September 1 of each year, the Commissioner for Children and Families shall submit a written report to the Joint Fiscal Committee; the House Committees on Appropriations, on General, Housing and Military Affairs and on Human Services and the Senate Committees on Appropriations and on Health and Welfare. The report shall contain the following:

- (1) an evaluation of the General Assistance program during the previous fiscal year;
- (2) any recommendations for changes to the program; and
- (3) a plan for continued implementation of the program.
- (4) statewide statistics using deidentified data related to the use of emergency housing vouchers during the preceding State fiscal year, including demographic information, client data, shelter and motel usage rates, clients' primary stated cause of homelessness, average lengths of stay in emergency housing by demographic group and by type of housing; and
- (5) other information the Commissioner deems appropriate.

Choices for Care Savings and Investments

[33 V.S.A. § 7601](#)

[\[Report Link\]](#)

CHAPTER 76. CHOICES FOR CARE

§ 7601. DEFINITIONS

As used in this chapter:

§ 7602. CALCULATING AND ALLOCATING SAVINGS

(a)(1) **The Department shall calculate savings and investments in Choices for Care and report the amount of savings to the Joint Fiscal Committee** and the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare **by September 15 of each year.** The Department shall not reduce the base funding needed in a subsequent fiscal year prior to calculating savings for the current fiscal year.

Global Commitment Transfer Report

[Sec. E.301.2 of Act 11 \(H.16\) of SS2018](#)

[\[Report Link\]](#)

Sec. E.301.2 GLOBAL COMMITMENT APPROPRIATIONS; TRANSFER; REPORT

(a) In order to facilitate the end-of-year closeout for fiscal year 2019, the Secretary of Human Services, with approval from the Secretary of Administration, may make transfers among the appropriations authorized for Medicaid and Medicaid-waiver program expenses, including Global Commitment appropriations outside the Agency of Human Services. At least three business days prior to any transfer, the Agency shall submit to the Joint Fiscal Office a proposal of transfers to be made pursuant to this section. A final report on all transfers made under this section shall be made to the Joint Fiscal Committee for review at the September 2019 meeting. The purpose of this section is to provide the Agency with limited authority to modify the appropriations to comply with the terms and conditions of the Global Commitment for Health waiver approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

Contingency Funding for the ACO Claims Tail

[Sec. 63 of Act 6 \(H.532\) of 2019](#)

[\[Report Link\]](#)

Sec. 63. CONTINGENCY FUNDING FOR THE ACO CLAIMS TAIL

(a) To the extent that the Agency of Human Services and the Department of Finance and Management find the budgeted amount in the Global Commitment appropriations in fiscal year 2019 are not sufficient to cover the one-time costs incurred during fiscal year 2019 specifically attributable to the overlapping timing of Medicaid claims incurred prior to January 1, 2019 and prospective payments made to an Accountable Care Organization (ACO) for approximately 32,000 Medicaid beneficiaries newly attributed to an ACO on or after January 1, 2019, up to \$7,840,000 is unreserved from the Human Services Caseload Reserve and appropriated to the Agency of Human Services' Global Commitment appropriation as State matching General Funds in 2018 (Sp. Sess.) Acts and Resolves No. 11, Sec. B.301 as amended by Sec. 6 of this act. There shall be a corresponding appropriation for Federal Funds in 2018 (Sp. Sess.) Acts and Resolves No. 11, Sec. B.301 as amended by Sec. 6 of this act, as required by the concurrent Federal Medical Assistance Percentage rate. The commensurate gross Global Commitment spending authority shall be appropriated as needed to respective departments and may be effectuated among the adjustments to Global Commitment appropriations pursuant to 2018 (Sp. Sess.) Acts and Resolves No. 11, Sec. E.301.2. The Agency and the Department shall provide a report on the findings and the amount appropriated pursuant to this provision to the Joint Fiscal Office and as part of the fiscal year 2019 close out to the Joint Fiscal Committee.

SEN. ANN CUMMINGS, CHAIR
REP. CATHERINE TOLL, VICE-CHAIR
REP. PETER J. FAGAN, CLERK
REP. JANET ANCEL
SEN. TIM ASHE



REP. MARY S. HOOPER
SEN. JANE KITCHEL
REP. WILLIAM J. LIPPERT, JR.
SEN. DICK SEARS, JR.
SEN. RICHARD WESTMAN

GENERAL ASSEMBLY
STATE OF VERMONT
LEGISLATIVE JOINT FISCAL COMMITTEE

Monday, September 16, 2019

Minutes

Room 10, State House

Members present: Representatives Ancel, Fagan, Hooper, Lippert, and Toll and Senators Ashe, Cummings, Kitchel, Sears, and Westman.

Other Attendees: Representatives Emmons, Shaw, and Haas, former Senator Branagan, Administration, Joint Fiscal Office staff, various media, lobbyists, and advocacy groups.

Senator Cummings, Chair, called the meeting to order at 9:34 a.m., and Senator Ashe requested a delay in approving the minutes until an amendment was available to the Committee. The Chair moved to the next agenda item.

B. Administrations Fiscal Updates 1. – General Fund and Transportation Fund Balance Reserve

Adam Greshin, Commissioner, and Matt Levin, Deputy Commissioner, Department of Finance and Management, referred to the reports on the General Fund and Transportation Fund Balance Reserves, and Mr. Riven explained that the Transportation Rainy Day Fund was at zero balance from the allocation of those remaining funds to the FY 2019 Transportation rescission plan. The General Fund Balance Reserve was \$31.5 million at the yearend closeout for FY 2019, and the Education Fund had 14% in total reserves when combining all reserve funds.

2. 27/53 Reserve

Mr. Riven gave background on the reserve, and then pointed out the schedule chart included in the 27/53 reserve memorandum from Commissioner Greshin with an FY 2020 projected deposit of \$4.02 million to the reserve.

3. Special Funds

Commissioner Greshin explained that the Universal Service Fund (USF) was projected to fall into deficit around November or December of 2019 about \$230 to \$250k. The fees from the fund that were paid by consumers for various telephone services was deposited into a special fund and paid out as follows: less than 5% appropriated to the fiscal agent of the fund and Lifeline, about 92% to Enhanced 911 (E-911), and any remaining revenue was transferred to the Connectivity Fund. The USF fund has had relatively stagnant revenue growth but increasing expenses, even though the USF fee was increased by .04% in FY 2020 to 2.04%. E-911 receives about \$409k monthly from the fund and its total budget was just under \$5 million annually.

Senator Ashe asked if legislative amendments to the administration of E-911 would alleviate some of the costs associated with the services. The Commissioner agreed there could be savings from the legislation, and there were some possible recommendations from E-911 to reduce its operating costs. Senator Ashe suggested that to further seek savings, the Administration should review [Sec. 19 of Act 61 of 2019](#) and respond to the legislations' request of the Administration determining a specific housing place for E-911.

Representative Ancel commented that the House Ways and Means Committee was open to suggestions on how to address E-911's funding with its outdated revenue source. Commissioner Greshin promised to review the matter further. Senator Kitchel requested a summary of the Commissioner's testimony on the issue of the USF shortfall. Representative Hooper asked for the summary to include the fiscal issues with E-911, and the plan for resolving it. Senator Kitchel asked that the recommendation to the Legislature on the proposed new home for E-911 include options with advantages and disadvantages of each location. Senator Ashe commented that Act 61 directed the Administration to report to the Committees on Senate Government Operations, and House Energy and Technology with recommendations.

4. – VEDA's Farm Operating Loan Program 2018 Report

Commissioner Greshin explained that upon FY 2019 closeout, there was \$750k available for carryforward as a one-time appropriation from Special Session FY 2018. The Commissioner introduced Cassie Polhemus, CEO, Vermont Economic Development Authority (VEDA). Senator Kitchel referred to a memorandum from Ms. Polhemus dated September 10, explaining the reason for the excess funds associated with the 2018 Farm Operating Program, and inquired whether the appropriation achieved what the legislation intended. Ms. Polhemus explained that when the program was implemented, funds were set aside for high-risk loans to mitigate issues with repayment. VEDA used its own money to subsidize a lower interest rate with a higher loan-to-value ratio and \$2.6 million was committed to those high-risk loans. Farmers were typically highly leveraged, so there was little capacity for them to take on further debt. Even though milk prices had increased, input costs were still high and created further challenges. VEDA would continue to extend loans to dairy farmers that had vendor accounts with double digit interest rates to alleviate some of their financial stress.

5. – Transportation FY 2020 Rescission Plan

Commissioner Greshin referred to a memorandum from the Agency of Transportation, dated September 9, and summarized there was an estimated \$1,943,148 million budgetary shortfall, and it would be addressed through a surplus in the Transportation Infrastructure Bond (TIB) fund with the remainder of \$823,403 addressed in the FY 2020 Budget Adjustment.

Senator Sears requested the Committee receive an update at its next meeting regarding the State's legal action of J.A. McDonald, Inc. and the construction of the four bridges in Southern Vermont. Representative Toll expressed concern that the Agency had not observed the construction issues prior to the whistleblower. Senator Kitchel asked to hear more information on whether there was pending legal action, and, if so, where they were in that process. The Committee agreed to hear testimony at its next meeting on the four Southern Vermont bridges and the J.A. McDonald whistleblower issue, as well as more general information on the process

of the State monitoring its construction contracts. Senator Kitchel added that if the State was pursuing legal action, the Attorney General should be included in the testimony.

C. – FY 2021 Revenue and Expenditure Trends

Stephanie Barrett, Associate Fiscal Officer, distributed a presentation on revenue and expenditure trends for FY 2021, and summarized that the largest programs in the State's \$6.1 billion budget are Medicaid and Education. The State budget for FY 2020, without federal funds and net property taxes, was \$2.9 billion. In reviewing the initial numbers for FY 2021, pressures areas included debt service, retirement obligations, reserve requirements, and possible State employee areas that include pay act, reclassification and health care insurance.

Ms. Barrett explained that federal match related budget pressures included the reduced federal match for the Children's Health Insurance Program (CHIP) for the next two years. Global Commitment waiver investment pressure are estimated at \$5.9 million in FY 2021, with further pressure due to Institutions for Mental Disease (IMD) phasedown in the future. The Accountable Care Act (ACA) expanded population of new childless adults shows initial pressure of \$4.3 million. In addition, the Tobacco Settlement revenue was declining.

Ms. Barrett reviewed the programmatic pressures for FY 2021 within the Medicaid program of utilization, a rate increase request and new beds from Brattleboro Retreat, designated services increase in caseload, and long-term care. Additional pressures in the Agency of Human Services are in emergency housing, child welfare, Woodside, and other areas of the Department for Children and Families; the Departments of Health, and Corrections as well as other areas such as Judiciary, Public Safety, Renter Rebates, and the Legislature. Additional unknowns include Information Technology projects.

Representative Hooper asked what the pressure in Judiciary was related to, and Ms. Barrett responded that it was for over and above the pay act amounts as expressed by the Branch. There were no new anticipated potential pressures in any of information presented.

D. Correctional Facility Assessment

The motion as approved by the Joint Legislative Justice Oversight Committee (JLJOC) was handed out. Representative Alice Emmons, vice chair of JLJOC, Representative Butch Shaw, and Michael Touchette, Commissioner, Department of Corrections introduced themselves. Senator Sears recommended that the Committee support the deliberations of JLJOC. Representative Emmons explained that the current women's correctional facility needed replacement, and the intent of the legislation was to have a basis for a decision of the type of construction and population for the new facility. Senator Sears added that the legislation was compromise language between the two houses that allowed the interim committees and the Council on State Government to research further into the issue before the Legislature committed to building a facility.

Commissioner Touchette stated that the legislation in Act 42 was a good compromise and allowed for flexibility to evaluate the type of facility most needed. There were questions in need of exploration such as how best to deliver programs for inmates' reentry into the public. As an example, the second largest and newest correctional facility did not include a vocation program.

The Chittenden County facility was not conducive to having a reentry program due to space and other issues. Historically, corrections facilities across the nation have been built for the sole purpose of containing people with no thoughts for reentry into communities. Other challenges with Vermont's current facilities are the health of its employees because of long work hours and no place for staff to take breaks.

Senator Kitchel commented that the assessment of Vermont's correctional facility should include a multi-year process of gathering information before an informed decision could be made. The size and design of Vermont's correctional facilities made them expensive, and Capitol needs were over \$200 million for current facilities. A continuing challenge in providing inmate programming was the frequent movement of inmates, due to capacity regulations. The Senator commented that the State should design a facility that anticipates the future and supports policy goals. Senator Sears added that the best example of a flawed execution of a plan was the Springfield facility that included a vocational program and no available funds for building the actual vocational facility because they were used to pave the road to the designated area.

Commissioner Touchette stated that other national industry workers found the key to the design of a facility was flexibility in the use and building more American Disability Act (ADA) compliant beds than anticipated because of Vermont's aging population.

Representative Lippert stated that he supported the BGS study but had concern for the March 2020 completion deadline of the report. Representative Emmons suggested that the CSG report was due by December 15, 2019, which could allow for any additional policy changes during the 2020 session. The information from the two reports could assist the Legislature in a conceptual path forward for a new facility by the end of the 2020 session.

Representative Fagan moved to approve the motion as approved and submitted by the Joint Legislative Justice Oversight Committee on September 9, 2019, and Senator Westman seconded the motion. The Committee approved the motion.

E. Integrated Eligibility and Enrollment System

Cassandra Madison, Deputy Commissioner of Healthcare Eligibility & Enrollment, Department of Vermont Health Access, and John Quinn, Chief Information Officer and Secretary, Agency of Digital Services, distributed an update to the progress report submitted September 1, 2019 on the Integrated Eligibility and Enrollment System (IE&E). The State had committed to four deliverables in 2019 and three in 2020, with two of them completed.

Senator Kitchel asked about the issue of the slow file transfer, and whether experts were able to resolve it, and Secretary Quinn stated the issue had in fact been resolved. Ms. Madison explained that the third deliverable was on track for completion, but the fourth deliverable for reporting and analytics was delayed until February 2020 due to the timing of open enrollment that began on October 1.

Representative Fagan inquired if there were outside vendors in place for contingency purposes. Ms. Madison responded that OPTUM was under contract to keep the system up and running as well as host the data, and Archetype had been contracted for reporting. After the roll

out in February, all the system functions and maintenance would be done inhouse and no longer rely on those vendors for the system. Senator Kitchel asked for clarification on the delay and system progress, and Ms. Madison explained that the Department delayed the testing starting October 1 for open enrollment and the disbursement of 1095's to recipients on January 1, 2020.

Representative Hooper inquired of the cost for the delay, and Ms. Madison responded it was estimated at \$3.5 million in total with 75% of federal funding and 25% from DVHA's operating budget. Those health care projects such as the Business Intelligence Project, the federal government would cover 87% of the costs. Representative Lippert inquired if the federal government had committed to paying the extra costs associated with the delay, and Ms. Madison responded that the Department had been in constant communication with the Centers for Medicare and Medicaid Services (CMS) on the project and there was no obvious risk with either agreement.

Senator Kitchel asked for clarification on the additional costs, and Ms. Madison explained that a portion of the additional expenditures were from the estimated cost of \$1.5 million for Archetype to maintain two data warehouses for Vermont Health Connect, and another portion was from the IE&E delay. Representative Fagan inquired why the Agency was building its own server farm rather than hiring a vendor to manage them. Secretary Quinn explained there had been past problems with vendors maintaining their servers and the Agency had the inhouse resources and talent to tend to any ongoing maintenance. Ms. Madison added there would be future savings for inhouse maintenance of the IE&E, as well as better access to data.

Senator Cummings asked for clarification on whether the concerns of the letter from the Joint Information Technology Oversight Committee were addressed in the motion. Catherine Benham, Associate Fiscal Officer, Joint Fiscal Office, clarified that the motion, the letter from JITOC and the recommendations from the six Chairs of the committees involved in the oversight of the project, were all consistent with each other and followed Daniel Smith's recommendation.

Representative Fagan inquired if there were hard dates for the completion of the project for the Centers for Medicare and Medicaid Services (CMS). Ms. Madison explained the next big CMS date was June 2020 and was anticipated to fix the issues around the American Disabilities Act (ADA) compliance for paper and online applications. A final thought was of the complexity of sunsetting the Vermont Health Connect due to the lack of understanding of the Oracle system. The goal was to reduce the size of the system components to be nimbler technically and fiscally when making changes.

Senator Kitchel made a motion to approve the release of the second installment of \$750k for Integrated Eligibility and Enrollment funds pursuant to Sec. 3 of Act 42; the FY 20-21 Capital Bill, and consistent with the recommendation of the Joint Information Technology Oversight Committee in its memorandum that was dated September 16, 2019, and Representative Ancel seconded the motion. Senator Ashe asked where the additional expense for the delay came from within the DVHA operating budget, and Ms. Madison responded it would be part of the broader conversation for the FY 2021 Department budget. Senator Kitchel requested that when the Department had completed its migration from the Oracle system to the new system that it provide the ongoing net savings and economic gain with the change. Ms.

Madison explained that the total annual cost with federal and state funds was \$30 million to maintain the Oracle system. There was an immediate \$500k reduction in annual costs and another \$1 million with Business Intelligence. Ms. Madison agreed to provide more information on projections and savings for the switch of the two systems. Representative Hooper requested the Department include additional information on the budget impacts to those relevant budgets in the future, in its FY 2021 budget testimony. The Committee approved the motion.

The agenda was interrupted for the approval of the July 29, 2019 minutes. Senator Ashe submitted a proposed amendment to item D (Fitch Rating for Vermont) to provide a more accurate reflection of the discussion. The Senator then moved to approve the minutes with the proposed amendment, and Senator Kitchel seconded it. The Committee approved the motion.

F. – VEGI Cost Benefit Model Updates

Megan Sullivan, Executive Director, and Ken Jones, Economic Research Analyst, Vermont Economic Progress Council, summarized the proposed updates to the Vermont Economic Growth Investment's (VEGI) Cost Benefit Model, explained in a memorandum that was dated September 12. Representative Ancel asked for the Administration's response to Tom Kavet's recommendations, and Mr. Jones stated they agreed with Mr. Kavet's comments on the proposal.

Representative Ancel moved to approve the revised annual updates to the VEGI Cost Benefit Model as submitted on September 15, 2019, and further requests "*that in future years a few sample runs (typical of those performed for VEPC applicants) be run to demonstrate and quantify "before" and "after" effects of these changes*" as stated in Tom Kavet's memorandum dated September 15, 2019, and Representative Fagan seconded the motion. The Committee approved the motion.

G. – VEPC Response to Performance Audit of the St. Albans Tax Increment Financing (TIF) district and potential changes to the TIF rule.

The Chair explained that a letter was sent to the Vermont Economic Progress Council (VEPC) from the Committee as requested, regarding the recommendation of the State Auditor's testimony at the Committee's July 2019 meeting. Rebecca Wasserman, Legislative Counsel, Office of the Legislative Council, clarified the Auditor's concerns in relation to the Tax Incremental Financing (TIF) statutory language. The Chair stated there was a request for legislation, on her behalf, to address concerns raised by the Auditor, for the 2020 legislative session.

Senator Sears expressed concern that the State was now following the legal opinion of the Attorney General, and it was the responsibility of the Attorney General to defend the State and any disagreements between the Administration and the State Auditor should follow the advice of the Attorney General. Representative Ancel commented there was a clear difference of opinion with the St. Albans TIF district, and that the policy should be clarified by the Legislature. Senator Kitchel added that there should be a clear message that the remedy to resolve the issue resides with the committees of jurisdictions.

Ms. Sullivan and Michael Keene, Vice-Chair, VEPC Board Member, Bennington County, reviewed and addressed the issues raised by the Auditor and the Chair in their memorandums to VEPC. The Chair requested that Ms. Sullivan provide her written testimony to the Committee.

There was a discussion on possible delays to communities in receiving TIF payouts while the Legislature deliberates on the issues raised. Senator Ashe recommended that VEPC, the Attorney General and the State Auditor work together prior to the upcoming session to expedite the process. Ms. Megan stated that she and her staff at VEPC were open to meet and find resolution. Senator Sears echoed the advice of Senator Ashe that concerned parties meet and find resolution prior to session. Representative Westman requested a list of the communities within the TIF process.

Doug Hoffer, State Auditor responded to VEPCs testimony and encouraged the Committee to review the Attorney General's opinion on TIF.

H. Federal Single Audit

Andrew Stein, Deputy State Auditor, summarized the State's federal single audit from Clifton, Larson, Allen (CLA). The State had reduced its findings to two federal programs as well as fewer repeat findings. Senator Kitchel commented that the Legislature had made a commitment to resolving audit findings and the results had proved positive.

Mr. Stein explained there were no adverse opinions in the audit but there were two qualified opinions that would need a repeat audit next year. One of the qualified opinions was in the Agency of Education's child nutrition cluster and was one of the five repeat findings. The second was in the Agency of Transportation's Highway Safety cluster where a required State match was not appropriated, and it was not clear why the calculation was not administered correctly. Although a new finding, there was a similar finding in the Agency the previous year. Mr. Stein promised to send a complete list of repeat findings and information on where and why they occurred.

I. JFO #2970-\$3,363,695 from the U.S. Dept. of Health and Human Services – Administration for Children and Families to the VT Dept. of Children and Families (DCF)

Senator Kitchel explained the grant had been held for further testimony at her request. Ken Schatz, Commissioner, Department for Children & Families, explained the grant would further enhance the work of the State for children from birth to age five. Dr. Morgan Crossman, Executive Director, Building Bright Futures (BBF), explained that the grant leveraged funding to cover gaps in current services, and offered better navigation tools.

Senator Kitchel commented that there was a substantial growth of child welfare programs within the State with very different challenges and demands with these very high-risk children. The Commissioner responded the grant allowed for a needs assessment and strategic plan to add a more sophisticated level of assistance to the program. Representative Westman expressed concern of the Departments delay in requesting the grant, and the Commissioner affirmed that the Department would ensure that grant timelines were met if accepted. Senator Ashe asked if

any part of the grant locked the State into how it delivered services to a specific age group. The Commissioner responded that the grant allowed for flexible decisions.

Representative Lippert moved to approve the grant, and Representative Hooper seconded the motion. The Committee approved the motion and acceptance of the grant.

JFO #2971-\$56,500 from the Northern Border Regional Commission in Concord, NH to the VT ACCD Department of Economic Development to help fund the development of a statewide prioritization plan of community and economic development projects.

Senator Cummings stated the grant was held for approval for additional information at her request. Joan Goldstein, Commissioner, Department of Economic Development, explained that the federal funding from the grant was sent directly to the recipients from the federal government, and the Department acted as an outreach coordinator by reviewing applications and recommending recipients. Due to the large volume of applications, the Department requested the capacity grant to assist in its work for the Northern Boarder Regional Commission (NBRC). Senator Ashe asked if the funding was for staff time or to prioritize areas of investment. Commissioner Goldstein responded that the process occurred only once a year and the capacity funding would be disbursed to individual regions for prioritization of those areas, and that the grant had expanded to the entire State with different geographic match requirements.

Senator Kitchel moved to approve the grant, and Representative Westman seconded the motion. The Committee approved the motion and acceptance of the grant.

Fiscal Officers Report

Stephen Klein, Chief Fiscal Officer, Joint Fiscal Office, highlighted areas of his report, and explained that the State Treasurer's Office and its actuarial were delayed in providing estimates for retirement. Senator Ashe requested additional information on the specific reasons for the delay, and Mr. Klein agreed to report back to the Committee.

Representative Fagan moved to adjourn, and the Committee approved the motion. The Committee adjourned at 12:55 p.m.

Respectfully Submitted,



Theresa Utton-German
Legislative Joint Fiscal Office



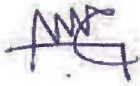
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Adam Greshin, Commissioner

MEMORANDUM

TO: Joint Fiscal Committee

FROM: Adam Greshin, Commissioner 

CC: Susanne Young, Brad Ferland, Matt Riven, Ruthellen Doyon, Steve Klein, Stephanie Barrett and Theresa Utton

RE: General Fund Balance Reserve

DATE: Monday, September 9, 2019

In accordance with 32 V.S.A. Sec. 308c(d), we hereby report that the balance in the General Fund Balance Reserve is \$31,553,273.25 at June 30, 2019. This balance remains in the Reserve and available for appropriation to fund unforeseen or emergency needs.

Please contact me if you require additional information.




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Adam Greshin, Commissioner

MEMORANDUM

TO: Joint Fiscal Committee

FROM: Adam Greshin, Commissioner 

CC: Susanne Young, Brad Ferland, Matt Riven, Ruthellen Doyon, Steve Klein, Stephanie Barrett and Theresa Utton

RE: Transportation Fund Balance Reserve

DATE: Monday, September 9, 2019

In accordance with 32 V.S.A. §308c(d), we hereby report that the balance in the Transportation Fund (TF) Balance Reserve is \$0.00 at June 30, 2019.

Please contact me if you require more information.

**State of Vermont**

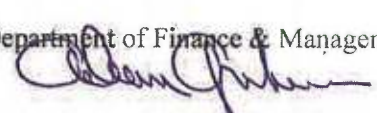
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MEMORANDUM

TO: Joint Fiscal Committee
FROM: Adam Greshin, Commissioner, Department of Finance & Management
RE: 27/53 Reserve Schedule
DATE: September 16, 2019



Pursuant to 32 V.S.A. § 308e(a)(2), the attached spreadsheet provides the anticipated liability for the next 53rd week of Medicaid payments and the next 27th state payroll. The 27/53 Reserve was established during the 2016 legislative session to provide a process to annually reserve funds for known future liabilities to minimize budgetary impact in the years that the liabilities come due.

The next 53rd week of Medicaid payments is scheduled to occur in FY 2022 and has an estimated General Fund cost of \$11.67M. This estimate was derived by taking the FY 2019 Medicaid costs and projecting the FY 2022 costs by a growth rate equivalent to the 3-year average Bureau of Labor Statistics' CPI for Medical Care (Aug 2016 – July 2019), or 2.54%.

The next 27th payroll is scheduled to occur in FY 2022 and has an estimated General Fund cost of \$12.64M. This was derived by using the FY 2020 collective bargaining agreement across the board (ABI) and step increases as a starting point projecting FY2021 & FY 2022 payroll costs using a growth rate equivalent to the 12-month percent change of Bureau of Labor Statistics' Employment Cost Trends for State and Local Government Compensation (2nd Quarter of 2019), or 3.0%.

The attached spreadsheet provides a schedule for transfer to the 27/53 Reserve to ensure that there are funds available to help meet future liabilities for the 27th payroll and 53rd week of Medicaid. Based on current estimates and the prior year fund balance, \$1.85M for the 53rd week and \$2.18M for the 27th pay period should be reserved each year in fiscal years 2021 and 2022 to meet these future liabilities.

Pursuant to 32 V.S.A. Sec. 308b(c)(2), funds for the 53rd payment will be transferred from the Human Services Caseload Reserve depending on the balances and obligations within that fund.



27/53 Reserve Contribution Schedule

Presented to JFC September 16, 2019 Per 32 V.S.A. § 308e(a)(2) in millions

| Projected Total Contributions | Total Need | Fund Balance | Balance to Allocate | Years until Liability is Due | Annual Deposit |
|-------------------------------|--------------|--------------|---------------------|------------------------------|----------------|
| 53rd Week | 11.67 | 7.97 | 3.70 | 2 | 1.85 |
| 27th Pay Period | 12.64 | 8.29 | 4.35 | 2 | 2.18 |
| Total | 24.31 | 16.27 | 8.05 | | 4.02 |

| | Actual 2017 | Actual 2018 | Actual 2019 | As Passed 2020 | 2021 | 2022 |
|---|----------------|----------------|----------------|-------------------|-------------|--------------|
| 53rd Week | | | | | | |
| Prior Year Balance | - | 2.64 | 4.36 | 6.12 | 7.97 | 9.82 |
| Close Out Deposit | 2.64 | - | - | - | - | - |
| Annual Contribution | - | 1.72 | 1.76 | 1.85 | 1.85 | 1.85 |
| Total Reserved for the 53rd week | 2.64 | 4.36 | 6.12 | 7.97 | 9.82 | 11.67 |

Notes: In FY 2019 53rd Week Payment is \$1.76M per 2018 Act 11 Sec.D104(a)(1). Pursuant to 32 V.S.A Sec. 308b(c)(2), funds for the 53rd payment will be transferred from the Human Services Caseload Reserve depending on the balances and obligations within that fund. Assumed annual growth rate in Medicaid of 2.54% budget, based on 3 year average (Jul 2016-Jun 2019) of Bureau of Labor Statistics CPI for Medical Care.

| | Actual 2017 | Actual 2018 | Actual 2019 | As Passed 2020 | 2021 | 2022 |
|---------------------------------------|----------------|----------------|----------------|-------------------|--------------|--------------|
| 27th Pay Period | | | | | | |
| Prior year balance | - | 2.64 | 6.41 | 8.29 | 8.29 | 10.47 |
| Close Out Deposit | 2.64 | 1.79 | - | - | - | - |
| Annual Contribution | - | 1.98 | 1.88 | * - | 2.18 | 2.18 |
| Total Reserved 27th Pay Period | 2.64 | 6.41 | 8.29 | 8.29 | 10.47 | 12.64 |

*Notes: Last 27th Week Payment was made in FY 2019 for FY 2020, per 2019 Act 6, Sec.59 (a). Assumed annual growth rate of 3% in FY 2021 & FY 2022 based on the 12 month % change (2nd Quarter of 2019) of Bureau of Labor Statistics Employment Cost Trends for State and Local Government Compensation.

| | Actual 2017 | Actual 2018 | Actual 2019 | As Passed 2020 | 2021 | 2022 |
|--|----------------|----------------|----------------|-------------------|--------------|--------------|
| Total Projected Reserve Balance | | | | | | |
| Prior year balance | - | 5.29 | 10.78 | 14.42 | 16.27 | 20.29 |
| Closeout Deposit | 5.29 | 1.79 | - | - | - | - |
| 53rd Week contribution | - | 1.72 | 1.76 | 1.85 | 1.85 | 1.85 |
| 27th Pay period Contribution | - | 1.98 | 1.88 | * - | 2.18 | 2.18 |
| Total Reserved 27th Pay Period | 5.29 | 10.78 | 14.42 | 16.27 | 20.29 | 24.31 |



**VERMONT ECONOMIC
DEVELOPMENT AUTHORITY**

Vermont Agricultural Credit Corporation
Vermont Small Business Loan Program
Vermont 504 Corporation

September 10, 2019

To: Members of Joint Fiscal Committee
Senator Ann Cummings, Chair
Representative Catherine Toll, Vice-Chair

CC: Adam Greshin, Commissioner of Finance and Management
Steven Klein, Chief Fiscal Officer
Theresa Utton-Jerman, Senior Staff Associate

From: Cassie Polhemus, CEO

Re: VEDA's Farm Operating Loan Program 2018 ("FOLP 2018")

Background:

The 2018 Legislative Special Session approved a one-time appropriation of \$250,000 from the General Fund to VEDA (Sec. C.1000(a)(11) of Act 11). The appropriation is "...to be used by VEDA's agricultural subsidiary the Vermont Agricultural Corporation (VACC) ... for a loss reserve in the 2018 Farm Operating Program which provides Vermont cow dairy farmers with loans to spring operating and related needs including refinancing debt."

Per the requirements of the legislation, VEDA was to make an initial report on program design and use of funds to the 2018 July Emergency Board. This initial reporting unintentionally did not take place. VEDA has not used any of the appropriation and has not yet made a formal request for the funds. VEDA designed and implemented the loan program (described below) and will make a formal request for the funds following submission of this report.

The appropriation was made in response to the long period of low milk prices causing severe financial challenges for dairy farmers.

VACC 2018 FOLP Program Summary:

VACC started making loans under the program in the spring of 2018. To date, VACC has originated 34 loans totaling over \$2.6 million in principal with an average loan size of approximately \$78,000. The maximum loan amount for the program is \$150,000. VACC subsidizes the interest rate on the loans for the first two years, offering a rate 1.25% to 1.5% below VACC's other loan programs. Terms are generally 5 years. Loan guarantees from Farm Service Agency (FSA) are obtained if eligible, however only five of the 34 loans originated to date have FSA guarantees, due either to FSA timing or eligibility constraints. While the 2018 spring planting needs have passed, we continue to receive loan applications from dairy farmers

VEDA: TEL (802) 828-5627 • VACC: (866) 828-3276
FAX (802) 828-5474 • 58 EAST STATE STREET, SUITE 5, MONTPELIER, VERMONT 05602-3044

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needing to refinance vendor accounts carrying high interest rates. More details on the program can be found on VEDA's website: <https://www.veda.org/financing-options/vermont-agricultural-financing/vermont-agricultural-credit-corporation/-0>

The chart below summarizes the FOLP 2018 portfolio as of 8/31/19 by credit risk rating classification. To date we have not charged off any loans in the 2018 FOLP program (classified as "Loss"), however we do anticipate the portfolio to sustain losses over time as the dairy economy continues to face challenges. There is one account classified as "Doubtful" which indicates a loss has been calculated based on collateral and payment inadequacy. Over fifty percent of the portfolio is risk rated below "Acceptable" and it is likely we will use the full \$250,000 appropriation for loan loss reserves over time.

| Risk Rating | Principal Balance 8/31/19 | Loan Loss Reserve | # Loans |
|--------------------|---------------------------|-------------------|-----------|
| Acceptable | \$878,596 | \$0 | 14 |
| Special Mention | \$898,856 | \$0 | 12 |
| Substandard | \$530,463 | \$0 | 7 |
| Doubtful | \$28,536 | \$28,500 | 1 |
| Loss (Charged Off) | \$0 | \$0 | 0 |
| Totals | \$2,336,451 | \$28,500 | 34 |

I am happy to answer any questions or provide additional information at any time.



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Agency of Transportation

TO: Members, Joint Fiscal Committee
FROM: Joe Flynn, Secretary of Transportation
DATE: September 9, 2019
SUBJECT: Report on the status of Transportation Fund for FY2020

E-SIGNED by Joe Flynn
 on 2019-09-09 12:24:01 GMT

The July consensus forecast reduced the FY 2020 revenue estimate for the Transportation Fund (TF), resulting in a budgetary shortfall of \$1,943,148. The Transportation Infrastructure Bond (TIB) Fund has a FY2020 surplus of \$1,119,745 that is available from a combination of FY2019 year-end revenue surplus of \$319,745 and \$800,000 from an increase in the July FY2020 consensus TIB Fund forecast.

To address the TF shortfall of \$1,943,148 the Administration will propose in budget adjustment to reduce \$1,119,745 of TF appropriations in the Transportation – Program Development appropriation (8100001100) and replace that reduction in TF funding with an equal amount of TIB Fund. This action will have no net impact on projects.

The Administration will propose actions to address the remaining TF shortfall of \$823,403 when the FY2020 budget adjustment is presented to the Legislature in December 2019. The remaining TF shortfall of \$823,403 is only 0.3% of the total TF and TIB fund as passed FY2020 appropriations of \$273,065,387.

Please feel free to contact me or the Agency's Chief Financial Officer Lenny LeBlanc (828-2704) if you have questions.

Thank you.

cc: Neil Schickner, Joint Fiscal Office



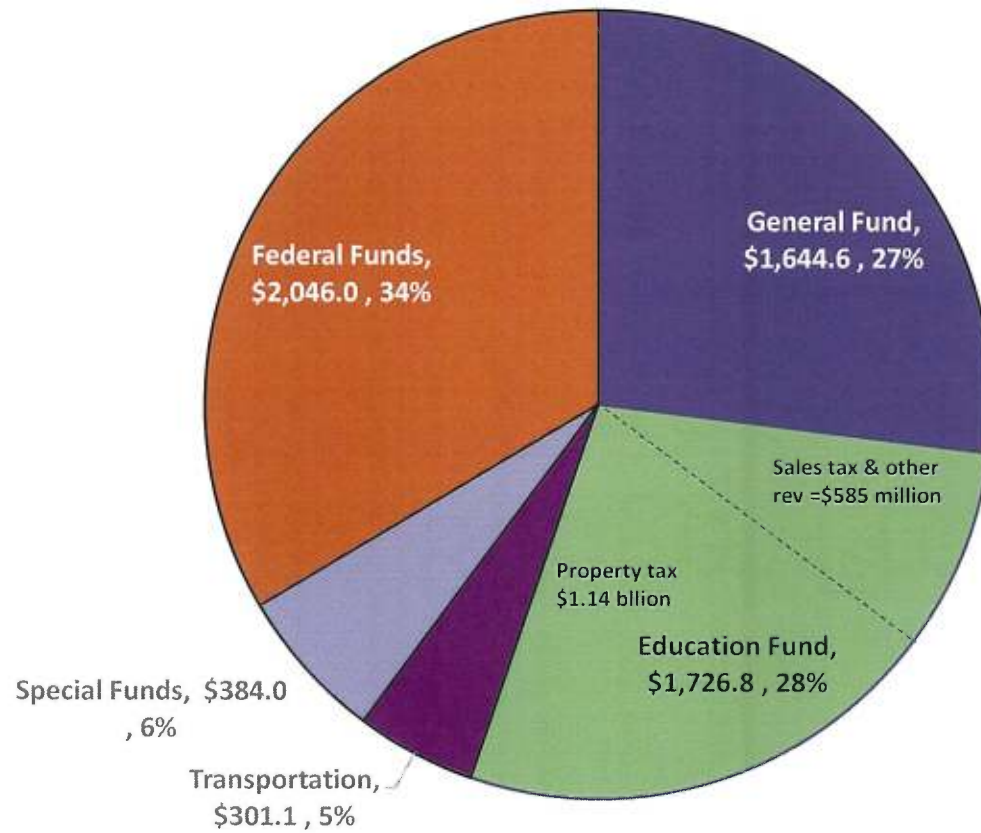
Baseline Budget Pressure FY21 First Look

Vermont Joint Fiscal Committee

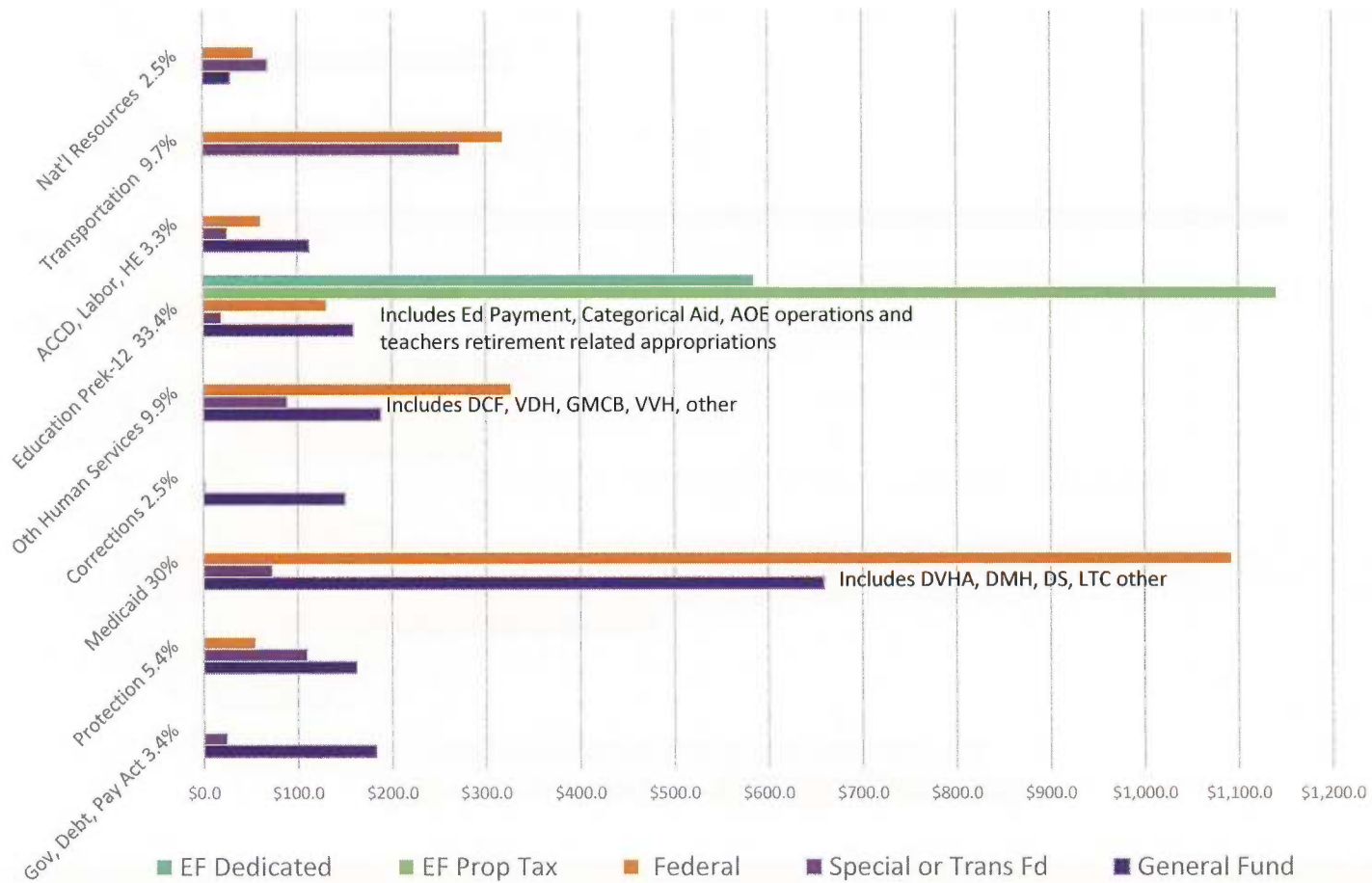
September 16, 2019

Stephanie Barrett

FY20 Appropriations As Passed (Unduplicated)
\$6.1 Billion ALL FUNDS

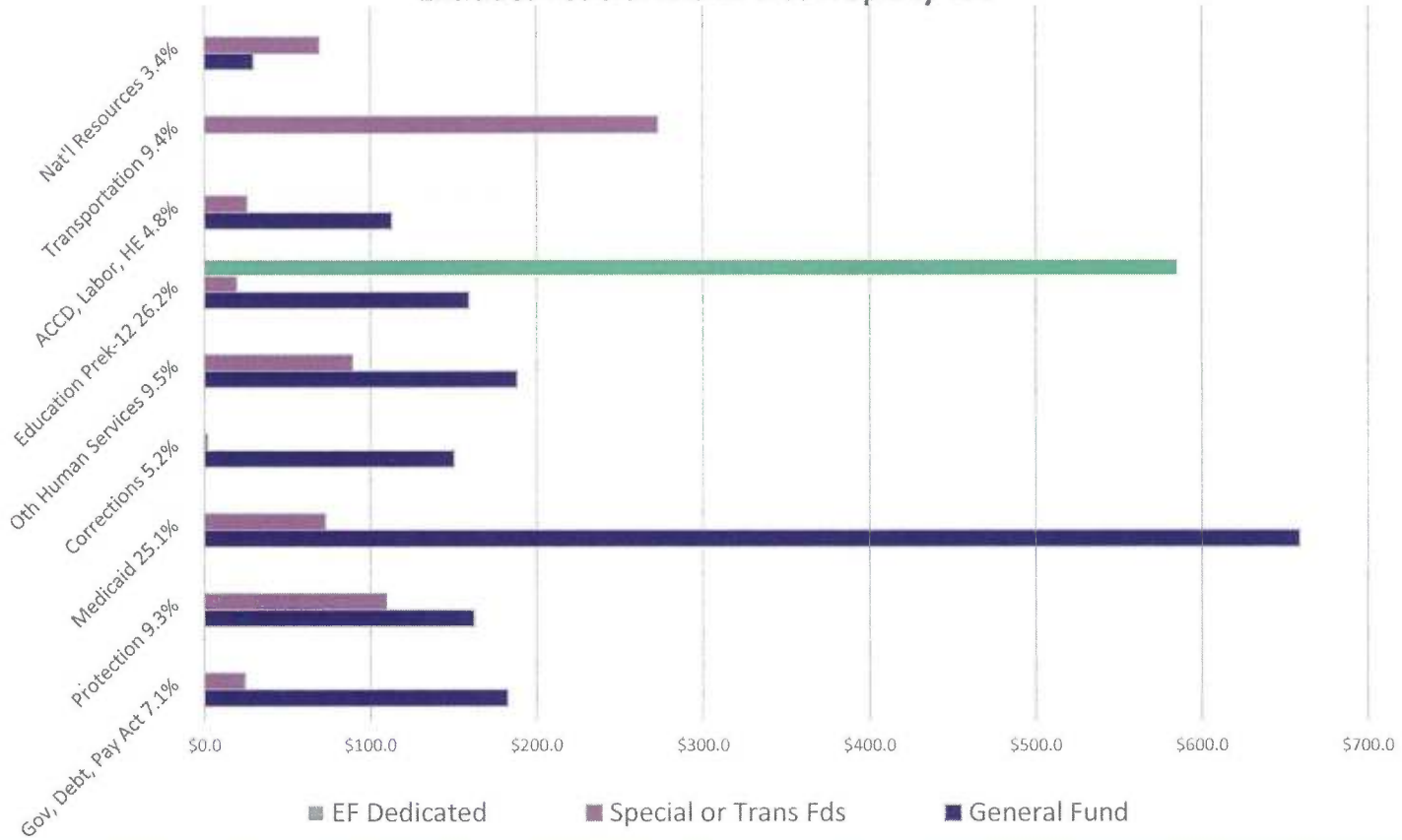


FY20 As Passed Budget - \$6.1 Billion By Function and By Fund



FY20 As Passed Budget - \$2.9 Billion State Funds

Excludes Federal and EF Net Property Tax



The Usual Suspects

- Required Obligations

- Debt Service \$4m-\$5m
- Retirement \$12m-\$15m+?
 - Teachers' actuarial req, OPEB
 - State Employees, actuarial, OPEB
 - Pending new valuation
- Reserve req'd \$1m-\$5m
 - Stabilization requirement
 - 53/27 pending CAFR position

- Statewide Pressures

- Pay Act next contract \$10m?
- Reclass and Health Ins \$10m?

- Federal Match Related

- Baseline FMAP ~~-\$5.8m~~
- CHIP dip (yr1) \$6 m
 - 2 yr step down
 - FY21 will see step 2
- GC phasedowns \$5.9m
 - FY22 will finish phase 1
 - Does not include IMD phase 2 which begins CY21, plan amend is pending with CMS
- New Adult childless \$4.3m
 - Rate and caseload mix
- Tobacco Settlement Revenue
 - FY20 forecast reduced \$1.1m

The Usual Suspects continued

- Medicaid Program

- Utilization *TBD \$4-6m*
- DMH, Retreat *\$3m-\$7m*
 - New beds come online
 - Rate adjustment pending
- DS caseload *\$4m-\$5m*
- Long Term Care *\$2m-\$3m*

- Other AHS

- DCF *upto \$7m*
 - Emergency housing, Child Welfare, Woodside, Administration funds
- Health Dept *\$1m*

- DOC *upto \$4m*
 - Contract Beds out of state
 - Special fund deficit

- Other Areas

- Judiciary *\$1m*
- Public Safety *\$1m*
- Renter Rebate *\$1m*
- Legislature *\$0.4m*

- Orphan – IT systems statewide
 - No steady baseline *\$5m?*
- Unknowns.....

Motion – passed by Joint Legislative Justice Oversight Committee 9/6/2019

BGS shall coordinate with the Department of Corrections in the development and issuance of an RFP for the purpose of contracting with an individual or entity with expertise in the design of correctional facilities to provide a report that includes an analysis of different state-of-the-art facility models and the benefits and drawbacks of each model. This analysis shall include an evaluation of separate facilities in multiple in-state locations, a campus style facility and a combination of both. The analysis shall include an identification of the major subgroups of inmates and the effectiveness of the different models in these areas:

1. Capacity of the system required to meet the needs of identified inmate subgroups which would include women, inmates currently in out-of-state facilities, individuals with mental illness and addiction treatment needs, sex offenders, and the geriatric population;
2. Provision of identified facility-based treatment and programming;
3. Operating and capital costs;
4. Transitional supports required for successful community re-integration.

2019 Capital Bill Act 42 Sec 2

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.

**Report to
The Vermont Legislature**

Progress Report on the Integrated Eligibility and Enrollment System.

**In Accordance with Sec. 3(b) and 3(e)(2) of Act 42 (2019): An act relating to
capital construction and State bonding.**

Submitted to: **Joint Information Technology Oversight Committee, Chair & Vice
Chair
House Committee on Corrections and Institutions, Chair
House Committee on Health Care, Chair
Senate Committee on Health and Welfare, Chair
Senate Committee on Institutions, Chair
Joint Fiscal Committee**

Submitted by: **Martha Maksym, Acting Secretary
Agency of Human Services**

**John Quinn, Secretary and State CIO
Agency of Digital Services**

Prepared by: **Cassandra Madison, Deputy Commissioner
Department of Vermont Health Access**

Report Date: **September 1st, 2019**

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EXECUTIVE SUMMARY

Act 42 of 2019, An act relating to capital construction and State bonding, adopts a reporting requirement to ensure House and Senate committee review of project progress on the Integrated Eligibility and Enrollment (IE&E) system with further project funding released following approval from the Joint Fiscal Committee at its September and November 2019 meetings. Act 42 was signed by Governor Scott on May 30th, 2019. The Act includes a requirement for the submission of two progress reports that are the responsibility of the Secretary of Human Services and Secretary of Digital Services. Reports are required to be submitted to the Chairs of the following committees: Joint Information Technology Oversight, House Corrections and Institutions, House Health Care, Senate Health and Welfare, Senate Institutions, and the Joint Fiscal Committee.

IE&E North Star Vision

Eligible Vermonters have a simple and easy way to apply for, access, and maintain health care and financial benefits without coverage gaps. The State of Vermont (SoV) delivers these services efficiently and sustainably, using innovative ways of working and modern technology.

IE&E Project Updates

Health Care Paper Application (HCAU): The HCAU project is the design of a new user-friendly paper application that allows Vermonters to apply for all health coverage programs at once. The final product was delivered in March and the project officially closed in April. The new design was submitted to CMS for approval on May 17th after piloting with Vermont Legal Aid and several district offices. The State is in a phased implementation with roll out for all health care programs (except Long-Term Care) to be complete in September 2019. Long-Term Care will be rolled out in 2020 once some additional business process improvements are made to ensure the unit can stay within its mandated processing timelines.

Enterprise Content Management (ECM): The ECM project is consolidating the scanning, indexing, and viewing of Vermonters' documents into one system that is already owned and maintained by the Agency of Digital Services. This will produce a more efficient workflow for staff and reduce the operating costs associated with Vermont Health Connect. The State received its go live approval from CMS security in August and is preparing to launch in September, pending the resolution of newly encountered network connectivity issues that are affecting software performance. The State anticipates closing this project on September 30th.

Business Intelligence (BI): BI is the data reporting and analytics project that allows the State to transition from the expensive, standalone Oracle data warehouse leveraged by Vermont Health

Connect, to a SQL data warehouse solution already owned and maintained by the Agency of Digital Services. This reporting component is crucial for functions such as the renewing of Vermonters' health coverage, sending of notices, production of required 1095 tax forms and sending required enrollment reports to CMS. The new warehouse was scheduled to go live in July but persistent state network connectivity issues, and challenges in building the warehouse itself, have triggered contingency planning for maintenance and operations of the existing data warehouse through the 2019 open enrollment period for health care and to contract out for 1095/CMS enrollment reporting. The new target date for delivery is February 2020.

Document Uploader: The Document Uploader is the first phase of the new Customer Portal project that will allow Vermonters to use mobile devices to submit verification documentation. It will also increase efficiency for staff as features are added, including the ability to scan documents directly into the enterprise content management system and to automatically index that document to a specific case. This project is now in a phased rollout and will include a roll out for the Aged, Blind, and Disabled programs and remaining district offices by the end of August 2019 and Vermont Health Connect (VHC) in October of 2019.

CMS Mitigation Plan Items: Vermont has worked with CMS to identify several mitigation strategies designed to help the State achieve iterative progress in key areas of noncompliance for the Medicaid Aged, Blind, and Disabled (MABD) population. These include several milestones that the State must meet over the next 24 months. Vermont met its first milestone with the launch of an online fillable PDF for change of circumstance reporting on August 10th. The State is on track to meet its second milestone with the delivery a fillable PDF for the initial application in September.

Online Application: The Online Application project is phase 2 of the IE&E Customer Portal project which will allow Vermonters to sign onto a single portal to apply for health coverage and financial benefits programs. The goal is to launch the online application for health coverage programs in June of 2020 and for economic services programs in October of 2020. The procurement for this project is active and the product team expects to have a vendor on the ground in September.

Premium Processing: The goal of the Premium Processing project is to streamline the financial transactions and processes associated with the administration of health coverage programs as a part of the overall IE&E roadmap. Phase 1 will transition responsibility for Qualified Health Plan premium processing to insurance carriers for coverage starting 1/1/2021. This will allow the State to implement the manual processes and technology to accurately notice and terminate Medicaid enrollees for nonpayment of premium. The procurement for this project is active and the product team expects to have a vendor on the ground in September.

IE&E Progress Report Summary

IE&E continues to make progress on in flight projects. However, issues with the State network infrastructure have resulted in project delays and the impact will grow if they are not resolved expediently.

| Project | Target Delivery Date | Project Performance | Original Estimated Project Spend | Current Projected Project Spend | Critical Issues/Updates |
|-------------------------------|----------------------|---------------------|----------------------------------|----------------------------------|---|
| Health Care Paper Application | 4/30/2019 | | \$300,000 | \$377,199.71 | Phased rollout in process. |
| Enterprise Content Management | 9/30/2019 | | \$855,278 | \$2,314,682.41 | State network issues affecting performance. |
| Business Intelligence | 2/1/2020 | | \$2,889,605.00 | \$2,692,044.66 | State network issues delayed testing. Recent testing revealed gaps in database build. |
| Document Uploader | 10/1/2019 | | \$1,453,254.00 | \$2,973,761.03 | On track but may be impacted if Enterprise Content Management is delayed. |
| CMS Mitigation Items | Ongoing | | Embedded in DVHA operating costs | Embedded in DVHA operating costs | Fillable PDF for change of circumstance delivered. |
| Online Application | 6/30/2020 | | \$4,751,676 | TBD | Vendor selection in progress. |
| Premium Processing | 10/1/2020 | | \$4,128,000 | TBD | Vendor selection in progress. |

BACKGROUND

Act 42 of 2019, An act relating to capital construction and State bonding, adopts a reporting requirement to ensure House and Senate committee review of project progress on the Integrated Eligibility and Enrollment (IE&E) system with further project funding released following approval from the Joint Fiscal Committee at its September and November 2019 meetings. Act 42 was signed by Governor Scott on May 30th, 2019. The Act includes a requirement for the submission of two progress reports that are the responsibility of the Secretary of Human Services and Secretary of Digital Services. Reports are required to be submitted to the Chairs of the following committees: Joint Information Technology Oversight, House Corrections and Institutions, House Health Care, Senate Health and Welfare, Senate Institutions, and the Joint Fiscal Committee.

The reports are required to describe the progress on IE&E projects scheduled for completion in calendar year 2019 and 2020, including “successes, setbacks, and achievement of expectations.” The September report specifically requires the Agency of Human Services (AHS) and the Agency of Digital Services (ADS) to report out on the following in flight projects: Health Care Paper Application, Enterprise Content Management, Business Intelligence, and Customer Portal Phase 1 (Document Uploader). This report includes a status update on each of these projects, as well as brief updates on upcoming projects and cost allocation conversations with the Centers for Medicare and Medicaid Services (CMS).

IE&E NORTH STAR VISION AND PROGRAM APPROACH

The goal of the IE&E Program is to ensure that (1) eligible Vermonters have a simple and easy way to apply for, access, and maintain health care and financial benefits, without coverage gaps and (2) the State delivers these services efficiently and sustainably, using innovative ways of working and modern technology.

More specifically, the objective of the IE&E Program is to ensure that Vermonters can:

- apply for all health care and financial benefit programs through one application, by the channel of their choosing;
- submit as little supporting documentation as possible by maximizing the use of electronic data sources;
- easily understand the information they need to provide and share that information

- with the State via the channel and time that is convenient for them;
- choose programs, pay their bills, and get their questions answered in as few steps as possible;
- feel confident that they are enrolled in the right programs, understand their benefits, and can use them when they need them;
- update their information through the channel that works best for them;
- be renewed automatically when it is possible and can leverage self-service when it is not.

An IE&E technology system will also improve the staff experience by:

- increasing the number of Vermonters who can use self-service, which will reduce errors and rework for staff;
- ensuring that staff can easily understand what needs to be verified by when and can interpret next steps;
- improving data integrity and automating enrollment processes. This will reduce the need for staff to focus on back end transactions. Staff will also be able to accurately report case status to customers;
- allowing staff to see all case information in one place and have confidence that the data is accurate so that they can communicate effectively to Vermonters;
- increasing the percentage of Vermonters who can be renewed automatically to reduce the number of steps needed to process renewals for those who cannot.

Vermont has built an IE&E roadmap that focuses on the delivery of capabilities that meet the State's compliance and business needs. These capabilities will be delivered through a series of incremental modules or products, which will expand functionality and sunset legacy system components incrementally over time. IE&E's goal is to deliver three products per year, with each procurement under \$2 million. This represents a shift in Vermont's implementation approach from previous "big bang" IE&E efforts, bringing the State into alignment with best practices and reflecting CMS' recommendations for modular technology projects going forward.

Vermont's approach is characterized by specific strategies and tactics that serve to improve compliance, reduce financial risk, drive timely business value, and reduce the chances of vendor lock in by:

- Employing a modular, iterative approach to software development with an appropriate project management methodology that reflects both project and programmatic needs;
- Placing user-centered design principles at the forefront of Design, Development, and



Implementation (DDI) efforts;

- Reusing Vermont's existing technological assets, and those of other states, when possible;
- Reaping the benefits of Cloud provider solutions & hosting, including high availability, redundancy, and capacity of resources and a smaller, faster, and more flexible initial investment (no hardware procurement, installation, management, and upgrade);
- Leveraging open source code where feasible from a security/privacy/financial perspective and ensuring that all IE&E system code is stored in a centralized public repository;
- Procuring additional resources to provide business-focused process development and management to ensure that products are implemented successfully. This means that efficient business processes are documented, that a comprehensive operational readiness plan is developed prior to launch, and that there are "boots on the ground" support following delivery;
- Resourcing a state team to integrate modules and manage the Development, Security, Operations (DevSecOps) pipeline where appropriate;
- Ensuring that modules are developed for interoperability/extensibility and with standardized integration;
- Leveraging the State's IT retainer pool to shorten the request for proposal (RFP)-to-contract cycle time for work products under \$500,000 and assure IT services are acquired through competitive opportunities.

PROJECT UPDATE: HEALTH CARE PAPER APPLICATION

Problem Statement

Health benefits are currently processed in two distinct systems - Vermont Health Connect (VHC) for MAGI-based benefits and the ACCESS system for non-MAGI based benefits. VHC and ACCESS cannot share application information, requiring labor intensive, manual processes. Vermonters must fill out multiple applications and provide duplicative information in order to access full health benefits screening options. Not only is this onerous for Vermonters, but it is out of compliance with federal Medicaid rules. In addition, non-MAGI application forms are out of compliance with plain language requirements established by the Affordable Care Act (ACA), making it harder for Vermonters to complete the application correctly and requiring more information than may be needed, which in turn causes processing delays.

Vision

The goal of the Health Care Paper Application Usability project is to implement a newly designed paper application, branded with the Vermont logo and colors that are easy for applicants to complete, that enables full health care screening for both MAGI and non-MAGI based eligibility determinations, collects information needed for efficient and accurate eligibility decisions, and reduces data entry and processing time for staff.

Progress to Date

The Health Care Paper Application Usability project was the State's first attempt at agile, user-centered design within the IE&E Program. With the help of a user-centered design firm based in Maine, the Vermont team consolidated the existing paper applications for health care programs into one document and redesigned it based on extensive feedback from staff, Vermonters, and Assisters. The final product was delivered in March of 2019 and the project officially closed on April 30th, 2019. The new design was submitted to CMS for approval on May 17th, 2019 after piloting it with Vermont Legal Aid and several district offices. The State is currently in a phased implementation with roll out for all health care programs (except Long-Term Care) to be completed in September 2019. The existing paper applications for these programs will be sunset in November 2019. Long-Term Care (LTC) will be rolled out in 2020 once additional process improvements are made to ensure the unit can stay within its mandated processing timelines.

Key Performance Indicators (KPIs):

As a part of the rollout of the new health care paper application, the team has set forth the following KPIs to measure success. Because the project involves a phased implementation, it is important to understand that performance data is reflective of a relatively small sample size (603 applications received to date). While this data is actively used to drive process and design improvements, it should not be used to measure the ultimate success of the project until 90 days after full implementation.

In addition to the measures below, it is also important to understand that the new health care paper application is a critical step forward for Vermont towards compliance with federal Aged, Blind, and Disabled Medicaid eligibility processing requirements, is a key component of the State's mitigation proposal to CMS, and is foundational work for the online application.

| Health Care Application Usability (HCAU) | | | | | |
|---|--|--|--|------------------|---|
| Smart Goal | Metric | Unit | Measure | Baseline Measure | Performance to Date |
| Reduce data entry time for eligibility staff by 5% by the end of the controlled launch | Monthly ad-hoc report | Time study | Data entry time per application | 35 minutes | 40 minutes |
| Reduce data entry time for eligibility staff by 10% within 90 days of full implementation. | Monthly ad-hoc report | Time study | Data entry time per application | 40 minutes | Data to be populated following LTC launch |
| Improve ease of use results on applicant survey by 5% by the end of controlled launch. | Quarterly ad-hoc report | Customer Usability Survey | Ease of use rating | 4.6 | Data to be populated following LTC launch |
| Reduce the time for the customer to receive the eligibility determination by 10% by the end of controlled launch. | Monthly automated report | Time to eligibility as reported to CMS | Percentage of applicants who have their determination go beyond timeliness standard (from submission to determination) | 15% | 17% |
| Reduce the number of questions left blank by the end of controlled launch. | Subject to controlled launch – Monthly ad-hoc report | Open Service Requests (SRs) | Percentage of applications with questions left blank | 18% | 8% |
| Reduce number of questions answered incorrectly by end of controlled launch. | Subject to a controlled launch – monthly ad-hoc report | Open Service Requests (SRs) | Percentage of applications with questions answered incorrectly | 18% | 8% |

Budget Overview

Original Estimated Budget Per Approved Charter: \$300,000

SFY19 Actuals: \$357,519.71

Projected SFY20 Spend: \$19,680

Total Projected Project Spend: \$377,199.71

Actuals exceeded original projections due to the additional time needed to finalize the document design.



Lessons Learned

- The initial product design took longer than expected as the business and policy teams learned how to work together in new ways and ensure that both compliance and ease of use were prioritized in the design of the application.
- The team was originally hoping to launch the Long-Term Care supplement in 2019 but realized that the new business processes associated with the consolidated application could lead to increased processing timelines. To mitigate this, the Department of Vermont Health Access (DVHA) plans to complete process improvement and small-scale development projects with the LTC team in the fall of 2019/spring of 2020. This will make it possible to launch the LTC supplement without adverse impact to the timeliness of eligibility determinations.
- The introduction of the new paper application lengthened processing timelines for staff. Although the application itself is consolidated, it must be entered into 2 different systems to provide the full end-to-end screening for Vermonters. The IE&E Program will tackle this issue in June of 2020 when it begins to build a consolidated case management system.

PROJECT UPDATE: ENTERPRISE CONTENT MANAGEMENT

Problem Statement

Eligibility and Enrollment staff utilize 2 Enterprise Content Management (ECM) systems for scanning, indexing, workflow and viewing Vermonters' documentation and notices. This leads to operational inefficiencies, duplicative maintenance and operations (M&O) costs, and difficulty coordinating enrollee documentation across programs (which is often scanned into both systems separately). In addition, Oracle WebCenter, the ECM system utilized by Vermont Health Connect (VHC), is expensive to maintain, not easily extensible to other programs, and is incompatible with associated system upgrades.

Vision

To utilize one system to scan, index, manage workflow, and view Vermonters' documentation and notices. By utilizing only one system, ECM will create a streamlined experience for staff that is user-friendly and more efficient for the State to maintain. Training, documentation, and processes will be easier and faster resulting in less confusion and improved quality.

Progress to Date

Development and testing of the OnBase system, including the user interface for staff, completed successfully on July 31st with a pass rate of 100%. The required security assessments were undertaken, and all critical items remediated, culminating in the submission of a final report to CMS the first week of June 2019 and approval to go live in August. The State began migrating documents to the new database on July 8th. While the original plan was to go live on August 23rd, network performance issues have delayed the launch by several weeks.

One of the early decision points of the project was the sequence of completing data migration from the legacy Oracle solution, navigating CMS mandated assessments and approval, and managing the timing of moving the ECM servers to a new data center to align with State strategy. The State had originally intended to launch with the production servers residing in the old data center. The week of go live, the team realized that production performance levels were lower than had been seen in earlier testing. Extensive troubleshooting and remediation began immediately with a broad cross-functional team at the Agency of Digital Services making this issue their top priority. ADS began moving the production servers to the new data center on 8/26; as of 8/29, performance had improved significantly. Based on this improvement, the State's new goal is to launch ECM by the end of September. Meeting this date is critical because system changes cannot easily be made beginning October 1 due to potential risk to Open Enrollment. If the State cannot implement this solution by September 30th, it will have to maintain the system until February 2020, resulting in higher than expected project and operating costs.

Key Performance Indicators (KPIs)

As a part of the rollout of the Enterprise Content Management system, the team has set forth the following KPIs to measure success. Each measure outlined below has an associated target, but performance data will not be populated until the OnBase system launches and the Oracle system has been sunset.

| Enterprise Content Management | | | | | |
|---|--|--------|--------------------------------|------------------|--------------------------------------|
| Smart Goal | Metric | Unit | Measure | Baseline Measure | Expected Measure Post Implementation |
| By the end of the fourth quarter, the costs of OnBase M&O will be 20% | Compare operating system costs before and after implementation of single system. | Amount | The dollar amount spent on M&O | \$1,820,000 | \$724,560 |

| | | | | | |
|--|---|------------|--|----------------|-------------------|
| less than those of Oracle WebCenter | | | | | |
| Maintain or increase number of documents that can be processed per hour for Vermont Health Connect | Compare volume of documents/items entered by type before and after implementation | Docs/hr. | Volume of documents entered | 30-35 docs/hr. | >= 30-35 docs/hr. |
| Reduce the time it takes to onboard a new user into OnBase to 3 days | Compare what was spent on time to onboard for ADPC before for two systems and what will be spent for one system after go live | Days | Number of days to on-board | 10 days | 3 days |
| Reduce load time to an average of less than 45 seconds per document | Compare load time from before implementation of new system to after go live | Seconds | Load time reduced to an average of less than 45 seconds/document | <60 sec/doc | <45 sec/doc |
| By the second year of implementation, 90% of the project team will be able to use the system | Survey staff at Health Connect on their use of the system | Experience | Survey (Strongly Agree) | Survey (Agree) | Increased |

Budget Summary

Original Estimated Budget Per Charter: \$855,278

SFY19 Actuals: \$808,296.51

SFY19 Encumbrances: \$586,304.74

Projected Additional SFY20 Spend: \$920,081.16

Total Projected Project Spend: \$2,314,682.41

Increases in project costs are due to the volume of security findings that needed to be remediated in a very short timeframe and unanticipated software costs to support security and integration needs.

Lessons Learned

- It is critical to ensure that we understand the full scope and dependencies of the project timelines to ensure adequate staffing resources are available to support expanded use of existing technology, both during the design, development, and implementation phase and during maintenance and operations.

PROJECT UPDATE: BUSINESS INTELLIGENCE

Problem Statement

The State's current reporting solution for Vermont Health Connect is expensive, difficult to maintain, and suffering from significant performance issues. Vermont currently relies on expensive external contracts to maintain the existing warehouse and to produce critical operational reports, including those that allow us to renew Vermonters' coverage, send notices, produce 1095 tax forms, and send required enrollment reports to CMS. In addition, the existence of data in siloed systems across programs prevents the State from performing critical data clean up and analysis across health care and financial benefit programs.

Vision

The desired outcome of this project is to migrate the data from the existing Oracle data warehouse to Microsoft SQL Server and to rely on State staff to both maintain the warehouse and to manage reporting needs. The new system will be easier for staff to use, enable self-service, and allow for real-time reporting and analytics. It will also ensure that the State has control of its own data which will reduce vendor lock-in and the costs of maintenance and operations.

Progress to Date

The new warehouse was scheduled to go live in July, but persistent Oracle replication software bugs, connectivity issues, inconsistent project management standards adherence, and challenges in building the warehouse itself, have forced the State to trigger its contingency plan. This plan includes (1) the continued maintenance and operations of the existing data warehouse through the 2019 open enrollment period for health care and (2) continuing to contract out for 1095/CMS enrollment reporting through plan year 2019. The State plans to issue a procurement for this work to secure more competitive pricing. This contingency will not allow DVHA to realize an estimated \$3-\$5 million in additional operating savings as anticipated and development costs will increase by \$1-\$2 million.

The new target date for delivery of the new data warehouse is February 2020. In order to hit this date, the warehouse must be successfully built and loaded with operational data by early September, leaving operational teams three full months to complete testing. However, the team has been working together to make this constraint less impactful. ADS must also configure the warehouse with the ad-hoc reporting tool for the operational teams to use prior to go live.

Key Performance Indicators (KPIs)

As a part of the rollout of the new reporting and analytics system, the team has set forth the following KPIs to measure success. Each measure outlined below has an associated target, but performance data will not be populated until the new warehouse launches and the existing Oracle system has been sunset.

| Business Intelligence (BI) | | | | | |
|--|---|-------------------|---|---|---|
| SMART Goal | Metric | Unit | Measure | Baseline Measure | Expected Measure |
| 100% reduction in contracted business reporting costs by 3/1/20 | Compare ad hoc reporting costs before and after implementation | Percentage | Business reporting costs | \$1,187,550 | \$0.00 |
| Reduce ongoing operating expenses by \$1M per year starting 3/1/20 | Compare operating costs before and after implementation | Dollars | Dollar amount spent on operating expenses per year | \$2,103,370 | \$1,103,370 |
| Increase SoV's reporting capabilities by reducing cycle time between data request and data delivery, reducing data load run time to less than 30 hours, and improving data availability. | Compare: • cycle time (lag) between data request to delivery. • daily data load time • Availability of previous day's data | Hours/Days | • Cycle time • Daily data load time • Data availability | Cycle time: Currently assessing baseline Data load time: 44.8 hours Data availability: 2.5 days behind on average | Cycle time: TBD Data load time: <30 hours Data availability: 1 day behind |
| Increase staff customer satisfaction | Survey | Experience rating | VHC reporting team survey | Approximately 60% of stakeholders agree or strongly agree that requesting and retrieving reports is straightforward and manageable. However only 28% feel that reports have | To be populated after launch of new warehouse |

| | | | | | |
|---|---|-----------------------------------|---|---|--|
| By the end of the first quarter of 2020, decrease by 10% the non-delivery rate of the 1095 and enrollment data to federal partners and decrease the error rate of 10% per quarter | <ul style="list-style-type: none"> •percent of monthly IRS reports delivered on time in the past ten months (Oct 2018-July 2019) •SBMI average number of errors per month in ten months | Percentage Count of errors | Delivery failure rate Error percentage | accurate or current data. <ul style="list-style-type: none"> •50% of monthly IRS reports were not delivered on time in the past 10 months (Oct 2018-July 2019) •SBMI average number of errors per month in 10 months is 14.33 (Oct 2018-July 2019) | <ul style="list-style-type: none"> •<10% of 1095 and enrollment data non-delivery rate to federal partners •Decreased error rate of 10% per quarter |
| By the end of the first quarter of 2020, increase success rate of automatic nightly data loads to data warehouse to 99% | Compare daily load success rate before and after implementation | Percentage | Daily load success rate | 86% | 91% |

Budget Summary

Original Estimated Budget per Approved ABC Form: \$2,889,605.00

Actuals through SFY19: \$414,069.91

SFY19 Encumbrances: \$239,420.67

Projected Additional SFY20 & SFY21 Spend: \$2,038,554.08

Total Projected Project Spend: \$2,692,044.66

Lessons Learned

- It is critical to ensure that we understand the full scope and dependencies of the project timelines to ensure adequate staffing resources are available to support the expanded use of existing technology, both during the design, development, and implementation phase and during maintenance and operations or the scope of the effort is measured to better mirror the capability of the staff we have.

PROJECT UPDATE: CUSTOMER PORTAL PHASE 1 (DOCUMENT UPLOADER)

Problem Statement:

Vermonters find satisfying verification requirements to be a challenging, time-consuming, and frustrating experience. Vermonters often ask internal staff if they can email their documents. For internal Staff, verifying Vermonters income routinely involves delays, stressful conversations, and duplicative work. Mail and paper slow the entire process from initial notification, to mailing documents, to scanning and indexing. Internal staff wait for submission of pay stubs, employment forms, or attestations from Vermonters to process applications or changes. Phone calls become stressful when Vermonters don't understand what to do and end up being required to mail additional forms before they run out of time, or in extreme cases hand deliver documents to avoid losing benefits due to missed deadlines. Internal staff in the district offices try to help Vermonters by calling employers multiple times to verify information, while health care workers often need to search multiple systems to track down the right document. Vermonters' data is not well shared across agencies and within the State systems.

Vision

The goal of the project is to make it easier for Vermonters to submit, and for staff to process, manual verification documentation. The Document Uploader is a technical solution that allows Vermonters to utilize mobile and online technology to submit verification documentation and to automate classification of such documentation.

The tool should provide:

- The ability to submit documentation by uploading online or through mobile depositing;
- Simplified and automated transmission of electronic documentation;
- Real time access to documentation for front line staff;
- Auto indexing for workflow management;
- A technical solution that is hosted and owned by the State.

Progress to Date:

The Document Uploader work started as a philanthropic partnership between Nava PBC, Code for America, and the State of Vermont and moved to a paid contractual agreement after 6 months. This is the first true agile software development project that IE&E has undertaken and as such, was an opportunity to set up the systems and processes needed to support this method. Accomplishments of the project include the development of internal capacity for user research, the implementation of a modern DevOps pipeline for code release, the development of a central

code repository that is owned by the State and hosted in the public cloud, and a process for leveraging interstate software purchasing agreements for faster access to Software as a Services (SaaS) solutions.

The Document Uploader was designed and built using extensive user research and agile, iterative sprints. The focus has been on developing a minimum viable product that can be released quickly to improve the Vermonters' experience and then be built upon and improved over time. The first few pilots of the product were exceedingly simple, with uploaded documents being transferred to State staff through a secure inbox. More recent pilots included integration with the State's OnBase system so that uploaded documents can be indexed automatically. The State plans to add user authentication functionality to the product and integrate it into the production of the Document Uploader in October. The product will then be rolled into Customer Portal Phase 2 (Online Application) for continued development and maintenance.

Key Performance Indicators (KPIs)

As a part of the rollout of the Document Uploader, the team has set forth the following KPIs to measure success. Because the project involves a phased implementation, it is important to understand that performance data is reflective of a relatively small sample size. While this data is actively used to drive process and design improvements, it should not be used to measure the ultimate success of the project until 90 days after full implementation. In addition to the measures below, it is also important to know that the Document Uploader is being leveraged to help the State meet several of its mitigation proposals for CMS, including the ability of the Aged, Blind, and Disabled Medicaid population to report changes online using a fillable PDF (which launched in July of 2019).

| Customer Portal Phase 1 (CPPH1) – Document Uploader | | | | | |
|--|--|---------------|--|------------------|---------------------|
| Smart Goal | Metric | Unit | Measure | Baseline Measure | Performance to Date |
| Increase cooperation rates of verification requests by 10% by the end of pilot (VHC MAGI Notice Pilot) | Customer cooperation rate after product implementation (%) - customer cooperation rate before product implementation (%) | Percentage | Customer cooperation rate | 60% | 74.5% |
| Decrease the time period from application to eligibility determination by 30% within the first | Total determination time 2-months after Barre pilot vs. total determination time prior to pilot | Business Days | Total time from the date SoV requests verification information to the date SoV processes eligibility | 9.5 | 6.7 |



| | | | | | |
|--|---|---------------|--|-----------|-----------|
| 2 months of the pilot. (Barre) | | | | | |
| Decrease the time period from application to eligibility determination by 30% within the first 2 months of the pilot. (HAEEU) | Total determination time 2-months after HAEEU pilot vs. total determination time prior to pilot | Business Days | Total time from the date SoV requests verification information to the date SoV processes eligibility | 27 | 18 |
| Decrease the time period from application to eligibility determination by 30% within the first 6 months of the pilot. (Barre) | Total determination time 6-months after HAEEU pilot vs. total determination time prior to implementation | Business Days | Total time from the date SoV requests verification information to the date SoV processes eligibility | 27 | 18 |
| Minimize the number of documents manually scanned into OnBase by 10% within the first 6 months of the Uploader technology implementation. | Total number of docs manually scanned into OnBase vs Total number of docs sent in using Uploader tool (prev. post implementation) | Number | Total amount of documents manually scanned into OnBase per year | 475,000 | 427,500 |
| Minimize the cost Vermonters incur by having to mail or commute to deliver the documents by 10% within the first 6 months of the Uploader technology implementation. | (Estimated total yearly cost to Vermont taxpayers in 2018 est/2) v. total potential cost to Vermont taxpayers 6-month post-implementation | Dollars | Total estimated semi-yearly cost to Vermont Taxpayers | \$184,000 | \$165,600 |

Budget Summary

Original Estimated Budget Per Approved Charter: \$1,453,254.00

SFY19 Actuals: \$836,164.51

SFY19 Encumbrances: \$399,342.87

Projected Additional SFY20 Spend: \$1,738,253.65

Total Projected Project Spend: \$2,973,761.03

Increased costs are due to (1) Nava contract moving from a philanthropic agreement to a paid agreement to complete development and implementation, and (2) the addition of a new authentication solution to the scope of the Document Uploader project.

Lessons Learned:

- Although the product team itself is developing the Document Uploader in an agile, iterative fashion, other teams on which the project is reliant, including CMS, do not. This can reduce the effectiveness of agile methodologies and negatively impact product timelines, costs, and scope. These challenges are to be expected as the IE&E program experiments with new ways of working. These growing pains must be appropriately planned for from a timeline and resource perspective.
- Making an experience easier for a consumer can create additional work for staff. Today, the State receives nearly 1 million documents per year in its processing center and approximately 60% of Vermonters “cooperate” with the request for additional documentation. It is reasonable to assume that cooperation rates will increase as submission becomes easier. This will increase the volume of documents that eligibility staff must review and process which may result in the need for additional staffing to ensure timely determinations.

BUDGET SUMMARY

The Agency of Human Services remained within budget for the remaining Capital Bill funds in SFY19. The Agency of Human Services anticipates needing the full \$4.5 million requested for both SFY20 and SFY21 in order to continue to meet its program obligations. The Agency of Human Services is managing the IE&E budget very closely and unanticipated cost increases in some areas necessitate difficult decisions around scope and timeline in other areas to manage to available funds. For SFY21, \$3.9 million was appropriated to the Agency of Human Services for the Integrated Eligibility and Enrollment system.¹

The Agency of Human Services is currently in conversations with the Centers for Medicare and Medicaid Services (CMS) regarding cost allocation which may impact the funds needed for SFY20 and SFY21. If the State amends its current cost allocation in the manner requested by federal partners, it will result in a budget shortfall of \$1 to \$2 million in Capital Funds per year. This would either require a decision by the General Assembly to appropriate additional dollars to the IE&E Program or to reduce the scope of future products to focus on health care programs

¹ See Sec. 3(d) of Act 42 of 2019:

<https://legislature.vermont.gov/Documents/2020/Docs/ACTS/ACT042/ACT042%20As%20Enacted.pdf>

only. The Agency of Human Services is working on a counterproposal for CMS and should have more information on the overall budget impact in time for the November IE&E progress report.

The table below reflects both the historic and projected spend on eligibility and enrollment activities from 2012 through 2021, including the State's health insurance exchange, and is a chart that is regularly presented during legislative testimony to show budget evolution over time.

| Project Cost & Estimates through 6/30/21 | | | |
|--|----------------|---|-----------------------------------|
| | | Enhanced Medicaid Sources 90% Federal/10% State ¹ | Exchange 100% Fed |
| Description | Total Costs | CMS-E&E (IE) ² | CCIO Grants (VHC) ³ |
| Pre-HSE IAPD costs through 6/30/12 | \$ 1,132,674 | \$ 132,674 | \$ 1,000,000 |
| SFYs 2013 - 2016 | \$ 269,240,874 | \$ 78,906,707 | \$ 190,334,167 |
| SFY 2017 | \$ 19,442,285 | \$ 18,225,730 | \$ 1,216,555 |
| SFY 2018 | \$ 15,115,558 | \$ 13,476,564 | \$ 1,638,994 |
| SFY 2019 | \$ 10,606,002 | \$ 10,368,434 | \$ 237,568 |
| SFY 2019 Encumbrances | \$ 1,641,796 | \$ 1,641,796 | |
| Estimates 7/1/19-6/30/2020 (Capital) | \$ 18,349,045 | \$ 18,349,045 | |
| Estimates 7/1/20-6/30/2021 (Capital) | \$ 18,349,045 | \$ 18,349,045 | |
| Total Program Projected Costs thru SFY21 | \$ 353,877,278 | \$ 159,449,994 | \$ 194,427,284 |
| Project Costs Projected through 6/30/21 by Federal/State | | | |
| Federal Share | \$ 330,026,525 | \$ 135,599,241 | \$ 194,427,284 |
| State Share | \$ 23,850,753 | \$ 23,850,753 | \$ - |
| Total | \$ 353,877,278 | \$ 159,449,994 | \$ 194,427,284 |
| Project State Match with Estimates through 6/30/21 | | | |
| | | Enhanced Medicaid Sources 90% Federal/10% State | Exchange 100% Fed |
| Description | Total Costs | CMS-E&E (IE) | CCIO Grants (VHC) |
| State Costs Through 09/30/2018 | \$ 13,267 | \$ 13,267 | \$ - |
| SFYs 2013 - 2016 | \$ 8,427,478 | \$ 8,427,478 | \$ - |
| SFY 2017 | \$ 1,832,133 | \$ 1,832,133 | \$ - |
| SFY 2018 | \$ 1,321,686 | \$ 1,321,686 | \$ - |
| SFY 2019 | \$ 1,525,327 | \$ 1,525,327 | \$ - |
| SFY 2019 Encumbrances | \$ 701,890 | \$ 701,890 | \$ - |
| Estimates 7/1/19-6/30/2020 (IAPD) | \$ 4,520,669 | \$ 4,520,669 | \$ - |
| Estimates 7/1/20-6/30/2021 (IAPD) | \$ 4,520,669 | \$ 4,520,669 | \$ - |
| Total State Share | \$ 22,863,121 | \$ 22,863,121 | \$ - |

| Break out of State Matching Funding used/Available | | | |
|--|---------------|--|----------------------|
| | | Enhanced Medicaid Sources 90% Federal/10% State | Exchange 100% Fed |
| Source of State Funds | Total Costs | CMS-E&E (IE) | CCIO Grants (VHC) |
| Agency/DVHA GF | \$ 37,861 | \$ 37,861 | |
| HIT Special Funds | \$ - | \$ - | |
| Capital - Act # 43 2009-2010 | \$ 1,720,000 | \$ 1,720,000 | |
| Capital - Act # 161 2009-2010 | \$ 1,456,280 | \$ 1,456,280 | |
| General Fund - Act # 3 2011-2012 | \$ 3,635,000 | \$ 3,635,000 | |
| AHS GF Act # 63 2011-2012 | \$ 1,700,000 | \$ 1,700,000 | |
| Capital - Act #26 Sec. 3(c) 2015-2016 | \$ 5,413,459 | \$ 5,413,459 | |
| General Fund - SFY18 Budget B.1011 | \$ - | | |
| Capital - Act #42 2019-2020 | \$ 8,650,000 | \$ 8,650,000 | |
| Total State Share through 6/30/21 | \$ 22,612,600 | \$ 22,612,600 | \$ - |
| Match Funds Over<short> 6/30/21 | \$ (250,521) | \$ (250,521) | \$ - |

¹ A-87 Exception expired 12/31/2018. Beginning 1/1/2019, only Medicaid portion of E&E will be 90/10 funded.

² E&E includes all platform and shared services to support MAGI Medicaid Eligibility and Enrollment.

³ Costs include all planning grants, platform and shared services, and first year VHC operating costs which were covered 100% by CCIO grant.

Updated Jan 23rd, 2019

IE&E PROGRAM LEVEL PRIORITIES

- Expand training and development opportunities for staff
- Provide additional support for operations staff who are also leading projects
- Build process improvement expertise across the organization
- Understand the places in the roadmap that will increase work for staff on an interim basis and set expectations appropriately
- Find common ground with the Centers for Medicare and Medicaid Services (CMS) and Federal Nutrition Service (FNS) on cost allocation
- Build upon statewide efforts to:
 - Improve consistency in project management processes and tools;
 - Introduce structure to software decision making;
 - Build a maintenance and operations plan early.

IE&E PROGRAM UPCOMING PROJECTS

CMS Mitigation Plan Items: Vermont has worked with CMS to identify several mitigation strategies designed to help the State achieve iterative progress in key areas of noncompliance in the Medicaid Aged, Blind, and Disabled population. These include several milestones that the State must meet over the next 24 months. Vermont met its first milestone with the launch of an online fillable PDF for change of circumstance reporting on August 10th. The State is on track to meet its second milestone with the delivery a fillable PDF for the initial application in September.

Online Application: The Online Application project is phase 2 of the IE&E Customer Portal project which will allow Vermonters to sign onto a single portal to apply for health coverage and financial benefits programs. The goal is to launch the Online Application for health coverage programs in June of 2020 and for economic services programs in October of 2020. The procurement for this project is active and the product team expects to have a vendor on the ground in September.

Premium Processing: The goal of the Premium Processing project is to streamline the financial transactions and processes associated with the administration of health coverage programs as a part of the overall IE&E roadmap. Phase 1 will transition responsibility for Qualified Health Plan premium processing to insurance carriers for coverage starting 1/1/2021. This will allow the State to implement the manual processes and technology to accurately notice and terminate Medicaid enrollees for nonpayment of premium. The procurement for this project is active and the product team expects to have a vendor on the ground in September.

E.



STATE OF VERMONT
OFFICE OF LEGISLATIVE COUNCIL

MEMORANDUM

To: Joint Fiscal Committee

From: Representative Laura Sibilia, Chair of the Joint Information Technology Oversight Committee; and
Senator Randy Brock, Vice Chair of the Joint Information Technology Oversight Committee

Date: September 16, 2019

Subject: Recommendation for the Release of Capital Funds for the Integrated Eligibility Enrollment (IE&E) Program

Pursuant to 2019 Acts and Resolves No. 42, Sec. 3(e) (the "2019 Capital Bill"), as the Chair and Vice Chair of the Joint Information Technology Oversight Committee (the "JITOC"), we have been asked to review the September progress report submitted by the Agency of Human Services and the Agency of Digital Services (the AHS/ADS Report") and make a recommendation to the Joint Fiscal Committee (the "JFC") on whether the JFC should approve the release of \$750,000.00 in capital funds to continue the program.

We have reviewed the AHS/ADS Report as well as the relevant memo prepared by the IT consultant for the Joint Fiscal Office, dated September 1, 2019 (the "September IT Consultant Memo"). Based on the AHS/ADS Report and the September IT Consultant Memo, we recommend that the Committee approve the release of \$750,000.00 with the condition that the Agency of Human Services and the Agency of Digital Services work in concert to develop a process for testing network capacity and effective functionality prior to the November IE&E report to the JFC. This process and plan should address the network deficiencies that were experienced by the Business Intelligence and Enterprise Content Management projects and how they will be prevented in the future. The process and plan should be presented to the JITOC at its September and October meetings.

We have concerns with the IE&E program. First, the AHS/ADS Report noted significant and persistent network issues that hindered progress on the Enterprise Content Management and Business Intelligence projects. Second, most project spends for the IE&E program have been over budget and projections indicate that multiple targeted delivery dates are at risk for not being met.

As a result of these issues, the Joint Information Technology Oversight Committee will take additional testimony at its September and October meetings, specifically looking at oversight of the IE&E program, the quality of the measurements of progress, and its overall cost-benefit.

IE&E Update

9/16/2019

IE&E: Succeed as One

Integrated Delivery & Enterprise IE&E Program

1

Agenda

- Delivery Update
- Network Connectivity
- Finances
- ADS/AHS Partnership

2

What have we delivered?

- We committed to delivering 4 products in 2019 and 3 products in 2020
- As of 9/16, we have successfully delivered 2 products: health care paper application and enterprise content management
- We are on track to deliver 3rd product in October: document uploader
- 4th product to be delivered in February: business intelligence
- On track to meet CMS mitigation commitments for the Aged, Blind, and Disabled population

3

Why do these deliveries matter?

- By focusing on the user experience, we delivered two solutions that make life better for staff and customers
- We successfully sunset our first Oracle product and expanded the use of technology that the State already owns/maintains. This will save the State \$400,000+ in operating expenses per year
- ADS staff successfully remediated network issues, showing that we can overcome challenging circumstance to ensure successful delivery
- Both the paper application and the document imaging and scanning systems were delivered on time

4

"We truly appreciate ALL that was done to get us to where we are today. The process we now have for VHC indexing is so much more user friendly, fast, efficient, less error-prone, etc. Staff are super excited to index VHC documents now 😊 and we're also very relieved that onboarding and training staff will not be as complicated and time-consuming. This is a BIG win for the ADPC, for sure, and by enabling us to process more documents more quickly and accurately, a win for Vermonter's as well. Thanks again, to everyone, for all your hard work and making this a dream come true – you're all awesome 😊"

Tammy Sink, ADPC

5

Progress on 2020 Products

- Two projects scheduled for delivery in 2020: premium processing and online application
- Both are on track – vendors on the ground by October
- Master Data Management has not yet started

6

Network Connectivity Update

- Network connectivity issues have been largely resolved for the two projects experiencing them
- Aging network infrastructure could result in additional issues in the future. The State is working to consolidate data centers, which will improve performance significantly.
- ADS/AHS working collaboratively to introduce additional capacity and performance testing early in project planning to ensure issues are identified before they impact timelines

7

Finances

- While the cost of some of the individual projects were higher than initially estimated, overall spending remains in budget
- SY19 budget underspent available capital funds by approximately \$100,000
- Updated ECM Projection: \$ 1,669,283.42, down from \$2.3
- The State anticipates being able to meet its 2020 commitments within the capital budget requested (\$4.5 million)
- CMS/FNS decisions regarding cost allocation could impact finances – more information will be available by November meeting

8

AHS/ADS Partnership

- Focused on ensuring alignment on strategy and goals
- New organizational structure for project execution will help provide clarity on roles and responsibilities
- Executive check-ins every other week to ensure alignment at the highest levels and swift resolution of issues

MEMORANDUM


TO: STEPHEN KLEIN AND CATHERINE BENHAM, LEGISLATIVE JOINT FISCAL OFFICE
 FROM: DANIEL SMITH, IT CONSULTANT FOR THE JOINT FISCAL OFFICE
 SUBJECT: ACT 42 – FY20/21 CAPITAL BILL AND THE INTEGRATED ELIGIBILITY PROJECT – SECOND
 INSTALLMENT RECOMMENDATIONS
 DATE: SEPTEMBER 1, 2019

Background. On August 21st, 2019 you asked me for recommendations regarding the second installment of Integrated Eligibility and Enrollment (IE&E) funding as described in Sec. 3 (e) of Act 42, the FY20-21 Capital Bill. This act specified that IE&E funding would be released in three parts as follows:

- \$3,250,000.00 upon passage of the act, which shall include \$250,000 to be used as described in Sec. 32 of the act (First Installment);
- \$750,000.00 following Joint Fiscal Committee approval to release the funds at its September meeting (Second Installment); and
- \$750,000.00 following Joint Fiscal Committee approval to release the funds at its November meeting (Third Installment).

Act 42 specifies that the second and third installment approvals will be based on the results of reports prepared as described in my memo to you of April 5, 2019. AHS and ADS jointly submitted the first required report on September 1, 2019. As required, this report includes the status, including successes, setbacks, and achievement of expectations, of the Healthcare Application Usability (HCAU) Project, the Electronic Content Management (ECM) Project, the Business Intelligence (BI) Project, and the Customer Portal Phase One: Document Uploader (CCP1) Project. This report is quite complete, and includes updated information on cost, schedule, and overall status for each of the required projects. The report also includes updates on the second set of projects that will be the subject of the November report to the JFC. While this information is not required in the September report, it does provide a more complete view of the IE&E program status.

Recommendations. Based on the submitted AHS/ADS report and other supporting documentation, I have the following recommendations:

- 
1. Although not all schedule goals were met as hoped and expected, costs are greater than expected, and technical challenges may cause additional problems and delays, I believe that overall the IE&E program is proceeding satisfactorily. There is no indication that the program is in danger of failure at this point, and as a result I recommend that the Second Installment funds be released by the Joint Fiscal Committee. Failure to release the funds could have a significant adverse impact on the IE&E program.

2. As stated earlier, technical challenges are to be expected with a program of this size and complexity. At the same time, the same problems should not be repeated during the course of the IE&E program. Because of this, my second recommendation is that ADS and AHS work in concert to develop a process for testing network capacity and effective functionality prior to the November IE&E report to the JFC. This process and plan should address the network deficiencies that were experienced by the BI and ECM projects and how they will be prevented in the future. The process and plan should then be presented to the Joint Information Technology Oversight Committee (JITOC) at either the September or November meeting.

Report Review Details. After reviewing the September report, and taking into consideration the various reports and other documents that have been made available to me over the summer of 2019, I believe that the IE&E program is progressing reasonably well. My biggest concern involves the network issues that have hindered progress on the Enterprise Content Management (ECM) and Business Intelligence (BI) projects. While technical challenges are not at all unexpected, especially in a program of this complexity, I am troubled by the fact that these challenges persisted for so long and with such an impact. That said, the September report does indicate that progress has been made on this issue and that the ECM project should be deployed by the end of September.

In reviewing progress against schedules, things have not gone as quickly as AHS and ADS expected. However, with the exception of the Business Intelligence project, project completion has been relatively close to expectations:

- Healthcare Application Usability Project (a user-friendly paper application that combines several eligibility programs). Expectation: Complete by September. Actual: Complete.
- Electronic Content Management Project (the migration of document scanning and retrieval functions from an Oracle system to OnBase, a state-owned system). Expectation: Complete or nearly so by September. Actual: Incomplete, expected completion by September 30, 2019.
- Business Intelligence Project (the migration of reporting capabilities from an Oracle platform to state-owned reporting and analytics systems). Expectation: Complete or nearly so by September. Actual: Incomplete, expected completion by February 2020.
- The Customer Portal Phase One Project (a document loader that allows customers to submit required documentation online instead of in person or mail). Expectation: Complete or nearly so by September. Actual: Incomplete, expected completion (partial) by October 2019.

A.

Tony Morse

From: Rebecca Buck
Sent: Monday, September 16, 2019 9:34 AM
To: copyroom
Subject: FW: Please print enough copies for the committee

approved
Minutes amendment
from Sen. Ashe

From: Tim Ashe <timashe@burlingtontelecom.net>
Sent: Monday, September 16, 2019 9:32 AM
To: Rebecca Buck <RBUCK@leg.state.vt.us>
Subject: Please print enough copies for the committee

D. Fitch Rating for Vermont

Beth Pearce, State Treasurer, reviewed the downgrade in Fitch Ratings to Vermont, and explained that it was directly related to the issue of debt and Vermont's demographics. ~~Senator Ashe raised the issue of how rating agencies determine States economic standings as being unfair to Vermont since the agencies do not include important investments in environmental or poverty measures. The Senator asked how the Legislature could change how the rating agencies view the State. Treasurer Pearce responded that Vermont received high points in governance, and the policy enacted on Clean Water initiatives. Senator Ashe stated the dilemma was that if the State increased bonds for much needed affordable housing, rating agencies reacted to the additional debt as negative instead of a positive policy decision to the State. Treasurer Pearce offered that there was exploration in other states for a pay as you go system for bonding to avoid negative ratings instead of reliance on the Capital Bill. Senator Ashe commented that a one-size-fits-all approach to state credit ratings puts Vermont at a disadvantage. He used the fact that, unlike many states the credit agencies applaud, Vermont is investing to clean up our waters and has done much to meet the needs of the poor, children, and the elderly. He also said that the rating agencies are creating a paradox - they say we need more housing to boost the economy and were downgraded partially for lack of more housing activity, but they won't permit bonding which would be the best tool to create substantial new housing units and increase economic activity. Senator Ashe asked the Treasurer if she and the state's team could work with the rating agencies to better understand Vermont's unique situation. The Treasurer said the Legislature sets the policy. Senator Ashe asked the Treasurer for her recommendation as to what the Legislature should do then, if anything. Treasurer Pearce said there was exploration in other states for a pay-as-you-go system for capital projects. Several committee members commented on how that is not feasible for anything but extremely incremental investments at this time in Vermont.~~

Tim Ashe
Vermont State Senator
President *Pro Tem*



F.

Vermont Economic Progress Council

Agency of Commerce and Community Development
6th Floor, Deane C. Davis State Office Building
1 National Life Drive, Montpelier, VT 05620-0501

Thursday, September 12, 2019

Senator Ann Cummings
Chair, Joint Fiscal Committee
One Baldwin Street
Montpelier, Vermont 05633

Dear Senator Cummings,

In accordance with 32 V.S.A. § 3326 please accept the attached memo and Standard Variable Change document for review by the Joint Fiscal Committee of an annual update to the cost benefit model used in the Vermont Employment Growth Incentive for measuring the potential the net revenue benefit to the state of Vermont for proposed economic development activities.

This update has been prepared by ACCD Policy Analyst Kenneth Jones and has been reviewed by the Vermont Legislature's Economist Tom Kavet.

Dr. Jones and I look forward to the opportunity to answer any questions that the Committee may have on the update to the cost benefit model at the September 16, 2019 Committee meeting.

Sincerely,

A handwritten signature in black ink, appearing to read "Megan Sullivan", is written over a light blue horizontal line.

Megan Sullivan

Executive Director
Vermont Economic Progress Council
Vermont Agency of Commerce & Community Development
1 National Life Dr, Davis Bldg, 6th Floor
Montpelier, VT 05620-0501

To: Megan Sullivan, Executive Director, Vermont Economic Progress Council
From: Ken Jones
Date: September 12, 2019
Re: Annual Update: Fiscal Cost-Benefit Model, Calendar Year 2019

I. Background

The completion of calendar year 2019 will mark the thirteenth full year of operations for the Vermont Employment Growth Incentive (VEGI). VEGI is the current economic development incentive program overseen by the Vermont Economic Progress Council (VEPC). VEPC has provided oversight for the state's economic development incentive programs since 1999 when the Economic Advancement Tax Incentive (EATI) program was passed by the Vermont General Assembly. The EATI program was replaced by the 2006 General Assembly with the current VEGI program. As part of the new program, a VEGI Technical Working Group – including representation from VEPC, the Legislature and the Vermont Department of Taxes – was formulated to monitor, assess, and evaluate the implementation of the new VEGI program. This process was undertaken given the implementation experience with the EATI program.

II. Purpose of Memorandum

This memo is intended to document the process of the annual update of the VEGI model for use during calendar year 2019. As we have done in the past, changes in the economy necessitate annual updates of the VEGI analytical model in order to maintain the model's validity. As the Vermont economy continues on its labor market recovery from the recession of 2007-2009, the new long-term economic and fiscal consensus forecasts of the Vermont Joint Fiscal Office and the Agency of Administration continue to form the basis of the fiscal cost-benefit model assumptions and other parameters included in the model which apply to calendar year 2019. This annual update of the VEGI model incorporates all of the most recent consensus forecasts and all of the latest fiscal information available as of July, 2019. All of the key fiscal and demographic data in the model which informs the conversion from economic impact concepts into relevant fiscal data used in the cost/benefit scorekeeping have been updated.

III. Standard Annual Model Updates

a. Firm Data Page

The basic components of the analysis are entered into this page. This basic information provides context to the calculations of the model, setting high-order

calibrations in order to capture such important variables as industry classification and project location. On this page, the only edit was to change the application year from 2018 to 2019 to reflect the calendar year. As a dynamic variable, this change carried through to the rest of the model.

b. Project Data and Modular Settings Page:

The Project Data Page is where the specifics regarding number of jobs, total payroll, and capital investment expenditures proposed by the applicant's project are entered. This page also contains several statistics used in the various calculations of costs and benefits found throughout the model. The Modular Settings Page consists of support calculations metrics for some the data which flows through to the Project Data Page. The following is a list of the specific items updated on these pages which are consistent with all previous annual updates.

1. Property Value Inflator: The property value inflator is relevant to the calculation of an applicant's benefits to state revenue, specifically in the calculation of the effects on the Education Fund. It is used to measure the growth of property values resulting from an applicant's project. The difference between education fund revenues with and without the applicant's project is calculated. As has been the practice in past model updates, this figure was obtained from the most recent Consensus Forecast for Education Fund concepts of the Legislative Joint Fiscal Office and the Agency of Administration. The prior model's figures are updated with the new forecast figures. This statistic is used in conjunction with the Projected Statewide Grand List Growth Rate. The figure is used as a projected measure of growth of the statewide grand list and used in the calculations of changes in property values as a background rate growth.
2. Statewide School Tax Rate for Residential and Nonresidential Property: These metrics are used in the calculation of the revenue generated from the proposed project which will be contributed to the Education Fund Based on both residential and nonresidential property improvements. The original data source for this update was the Vermont Department of Taxes (for fiscal year 2019).
3. State & Local Government Price Deflator: This figure is used in the calculation of various costs and benefits associated with an applicant's project. It is used in the formula which projects the growth of the various funds' costs and revenues forward in time. This figure was obtained from the same Consensus Forecast of the Legislative Joint Fiscal Office and the Agency of Administration referred to in #1 above.
4. Estimated per Student Grant, Estimated Special Education Per Equalized Pupil: These figures are used in the calculation of changes in education costs associated with the applicant's project. The calculation is based on the

total education fund expenditures divided by the total enrollment published by the Agency of Education to arrive at a per pupil expenditure.

5. Vermont Estimated Population: As this update takes place in an intercensal year, the figure used in this update of the cost/benefit model is the population estimates for the state of Vermont embedded in the REMI input-output model. This figure is used when converting any of the data in the cost-benefit model into per capita figures.
6. FY General Fund Expenditures, FY Expenditures Fund Appropriations: These figures are used to calculate the changes in General Fund and Transportation Fund costs associated with the change in population related to an applicant's project in the most recent fiscal year. The figures are converted to a per capita basis and used in conjunction with the change in population associated with each applicant's project. The updated figures are obtained from the Vermont Department of Finance and Management and the Legislative Joint Fiscal Office.
7. Corporate Revenue/Nonfarm Supervisory Job: This figure is used to estimate revenues associated with a change in employment from an applicant's project. It relates levels of corporate income tax to a per job basis. This can then be used to estimate the incremental corporate income tax associated with a change in employment related to an applicant's project. This figure is obtained from the most recent total corporate tax revenue divided by the BEA's concept of employment data (and includes both full and part time jobs and also proprietors). The BEA employment series data is used as a predictor of future revenues in the model and is preferred for this model since it is the most inclusive data for proprietors and workers in the farm sector.
8. Per Capita Other General Fund Revenues, Per Capita Other Transportation Fund Revenues, Per Capita Other Education Fund Revenues: These figures are used to capture the 'Other' category for revenues found in the General, Transportation and Education Funds. They are converted to a per capita basis and used in conjunction with the change in population associated with an applicant's project. The updated figure is obtained from the 2018 Calendar year tax revenues divided by the population.
9. State Personal Income Tax Rate, State Sales & Use Tax Rate, State Gas Tax Rate, State MVP&U Tax Rate, State Meals and Rooms Tax Rate, Background Statewide Education Property Tax Rate: These figures are used to determine part of the forecasted revenues over the forecast impact period from the new demand from an applicant's proposed project. They are applied to the changes in consumption associated with an applicant's project to yield projected incremental tax revenues. These figures are obtained from the most recent fiscal year data available on total taxes

received. These data are then applied to various REMI consumption items to complete the bridge between REMI economic output data and the state's fiscal cost-benefit concepts. ***For the 2019 model, I added the Meals and Rooms tax rate which results in a decrease in the "other" General Fund tax revenue calculation. Also, in 2019, I used a new set of consumption categories from REMI to better reflect the consumption categories that are the basis for each of these taxes.***

c. REMI Economic Output Page

In addition to being the recipient of the output of the REMI input/output model, there are several embedded REMI control variables which are updated as part of the annual model review. Consistent with the previous year's updates, the equilibrium data from the REMI control is updated for the year of application. These variables include several consumption related factors such as overall consumption, general price indices, as well as specific price indices by consumption category.

d. Qualifying and Non-Qualifying Jobs & Wages Pages

As a result of the change in the model's base year from 2018 to 2019, the lookup function which finds the REMI input-output anticipated level of compensation by industry was updated to ensure accurate future wage levels were taken into account.

e. Present Value Calculations Page

This page calculates the present value of the total benefits and costs associated with a project. The updated present value discount rate was obtained from the analysis of the three year moving average of the Muni Bond Advisors index: General Obligations Bonds: 20-Years to Maturity.

Bond rates from <http://www.munibondadvisor.com/market.htm>

| | |
|------|-----|
| 2010 | 4.6 |
| 2011 | 4.4 |
| 2012 | 4.1 |
| 2013 | 4.1 |
| 2014 | 4.1 |
| 2015 | 4.1 |
| 2016 | 3.7 |
| 2017 | 3.6 |
| 2018 | 3.6 |

f. 'NAICS Row' Lookup Page

No changes have been made to this page that prescribes background growth rates.

g. Regional Differential

The list of counties subject to different discount rates for estimating present value cost benefit streams was changed in 2019 to reflect changing economic conditions.

| <u>Tier One</u> | <u>Tier Two</u> | <u>Tier Three</u> |
|-----------------|-----------------|-------------------|
| Caledonia | Addison | Chittenden |
| Essex | Bennington | |
| Orleans | Franklin ** | |
| Rutland * | Grand Isle ** | |
| Windham * | Lamoille ** | |
| | Orange | |
| | Washington | |
| | Windsor | |

Rutland and Windham Counties were formerly in Tier Two
Franklin, Grand Isle and Lamoille Counties were formerly in Tier One

I did not use this one.

The existing model value(s) and the proposed updated value(s) are described below:

| VEGI MODEL UPDATE: ROUTINE VALUE UPDATES | | | |
|---|--------------------------|--------------------------------------|---|
| Value Description | Value used in 2018 model | Value proposed for use in 2019 model | Source |
| Property Value Inflator | 1.4% | 2.25% | Consensus Ed Fund Projections (12/18) |
| Statewide School Tax Rate: Homestead | \$1.00 | | Current Law (7/1/18) |
| Statewide School Tax Rate: Non-residential | \$1.535 | | Current Law (7/1/18) |
| State & Local Government Price Deflator | 2.03% | 2.6% | 2019 Fiscal Facts |
| Vermont Estimated Population | 633,753 | | REMI |
| Per pupil expenditure | \$18,443 | \$18,613 | Ed Fund (FY19) / student pop'n (Oct 18) |
| FY General Fund Expenditures (\$ million) | 1523.9 | 1640.5 | 2018 number is 2017 revenue from 2017 Fiscal Facts, 2019 number is 2018 appropriation |
| FY T Fund Expenditures (\$ million) | 252.6 | 276.6 | 2019 Fiscal Facts |
| Corporate Revenue/Nonfarm Supervisory Job | \$227 | | Calculated from current year (calendar 2018) revenues |
| Per Capita Other General Fund Revenues | \$320 | | Calculated from current year revenues |
| Per Capita Other Transportation Fund Revenues | \$207 | | Calculated from current year revenues |
| State Personal Income Tax Rate | 2.30% | | Calculated from REMI income and actual revenues |
| State Sales & Use Tax Rate | 1.70% | | Calculated from REMI consumption and actual revenues |
| State Gas Tax Rate | 13.72% | | Calculated from REMI consumption and actual revenues |
| State MVP&U Tax Rate | 5.40% | | Calculated from REMI consumption and actual revenues |

| | | | |
|--------------------------------------|------|--|---------------------|
| Three Year Moving Average Bond Index | 3.6% | | MuniBondAdvisor.com |
| | | | |

The existing model value(s) and the proposed updated value(s) are described below:

| VEGI MODEL UPDATE: ROUTINE VALUE UPDATES | | | |
|---|--------------------------|--------------------------------------|--|
| Value Description | Value used in 2018 model | Value proposed for use in 2019 model | Source |
| Property Value Inflator | 3.1% | 3.1% | Consensus Ed Fund Projections |
| Statewide School Tax Rate: Homestead | \$1.00 | \$1.00 | Current Law (7/1/19) |
| Statewide School Tax Rate: Non-residential | \$1.54 | \$1.58 | Current Law (7/1/19) |
| State & Local Government Price Deflator | 1.4% | 2.25% | Consensus Ed Fund projections |
| Vermont Estimated Population | 627,849 | 624,390 | REMI |
| Per pupil expenditure | \$17,443 | \$17,522 | Ed Fund / student pop'n |
| FY General Fund Expenditures (\$ million) | 1539.9 | 1563.5 | 2019 Fiscal Facts |
| FY T Fund Expenditures (\$ million) | 265.1 | 322.1 | 2019 Fiscal Facts |
| Corporate Revenue/Nonfarm Supervisory Job | \$217 | \$260 | Calculated from current year revenues inflated |
| Per Capita Other General Fund Revenues | \$305 | \$577 | Calculated from current year revenues inflated |
| Per Capita Other Transportation Fund Revenues | \$203 | \$177 | Calculated from current year revenues inflated |
| State Personal Income Tax Rate | 2.30% | 2.35% | Calculated from REMI income and actual revenues |
| State Sales & Use Tax Rate | 1.70% | 6.79% | Calculated from REMI consumption and actual revenues |
| State Gas Tax Rate | 13.72% | 12.59% | Calculated from REMI consumption and actual revenues |
| State MVP&U Tax Rate | 5.40% | 10.15% | Calculated from REMI consumption and actual revenues |
| State Meals and Rooms blended rate | N/A | 8.97% | REMI consumption and actual revenues |
| Three Year Moving Average Bond Index | 3.6% | 3.6% | MuniBondAdvisor.com |

Stephen Klein

From: Sullivan, Megan <Megan.Sullivan@vermont.gov>
Sent: Sunday, September 15, 2019 2:28 PM
To: Ann Cummings; Peter Fagan; Tim Ashe; Jane Kitchel; Richard Sears; Kitty Toll; Janet Ancel; Mary Hooper; William Lippert; rawestman@gmail.com
Cc: Jones, Kenneth; tek@kavet.net; Stephen Klein
Subject: RE: 2019 VEGI Cost Benefit Model Update Memo
Attachments: Standard variable change 2019 final.docx

Importance: High

Dear Chairwoman Cummings and members of the Joint Fiscal Committee,
Attached is the correct version of the standard variable change form to support the VEGI cost benefit model memo that was sent on Thursday. My sincere apologies for previously sending the incorrect version and for not getting the correct one to you until now. Dr. Jones and I will be able to discuss this document and answer any questions at tomorrow's meeting.

Best,
Megan

Megan Sullivan
Executive Director
Vermont Economic Progress Council
Vermont Agency of Commerce & Community Development
1 National Life Dr, Davis Bldg, 6th Floor | Montpelier, VT 05620-0501
(802)798-2221
Megan.Sullivan@Vermont.Gov
accd.vermont.gov

Written communications to and from state officials regarding state business are considered public records and, therefore, may be subject to public scrutiny.

From: Sullivan, Megan
Sent: Thursday, September 12, 2019 2:51 PM
To: acummings@leg.state.vt.us; pfagan@leg.state.vt.us; tashe@leg.state.vt.us; jkitchel@leg.state.vt.us; rsears@leg.state.vt.us; ktoll@leg.state.vt.us; janetancel@gmail.com; mhooper@leg.state.vt.us; wlippert@leg.state.vt.us; rwestman@leg.state.vt.us
Cc: Jones, Kenneth <Kenneth.Jones@vermont.gov>; tek@kavet.net; Klein, Stephen <sklein@leg.state.vt.us>; Theresa Utton <TUTTON@leg.state.vt.us>
Subject: 2019 VEGI Cost Benefit Model Update Memo

Dear Chairwoman Cummings and members of the Joint Fiscal Committee,
Attached please find the Vermont Economic Progress Council's submission of the 2019 update to the VEGI Cost Benefit Model including,

- Cover letter
- Memo from ACCD Policy Analyst Kenneth Jones
- Standard Variable Change



Kavet, Rockler & Associates, LLC

985 Grandview Road
Williamstown, Vermont 05679-9003 U.S.A.
Telephone: 802-433-1360
Fax: 866-433-1360
Cellular: 802-433-1111
E-Mail: tek@kavet.net
Website: www.kavetrockler.com

F

Memorandum

To: Steve Klein, Chief Fiscal Officer, JFO; Joint Fiscal Committee
From: Tom Kavet
CC: Theresa Utton, JFO; Ken Jones, ACCD; Megan Sullivan, VEPC
Date: September 15, 2019
Re: Review of Proposed VEPC Cost-Benefit Model Update

As requested, I have reviewed the memo from Ken Jones to Megan Sullivan sent to the Joint Fiscal Committee on September 12, 2019, and updated and corrected on September 15, 2019, that describes proposed model changes to the VEPC Cost-Benefit Model used to calibrate business award levels as a part of the VEGI program. As a part of this review, I requested further information and spreadsheets related to the changes described in the memo and discussed these with Ken.

The model updates proposed in the memo represent relatively minor changes to the underlying Cost-Benefit Model and consist primarily of the utilization of the latest REMI State model (Version 2.3.1), with historical data through 2017, more recent data from Consensus JFO and Administration economic and revenue forecasts, State expenditures, updated discount rate data and normalized (with REMI) Tax Department effective tax rate information for selected taxes. Most of the proposed changes in Ken Jones' memo are regular annual model updates that will improve model output, consistent with the most recent data available. As noted in prior updates, however, these changes can create inconsistencies in costs, benefits and award levels from year to year.

The other model specification changes recommended in the current memo consist primarily of more accurate mapping of REMI output categories with tax revenue categories. Even though these changes result in several large increases in the effective normalized tax rates used between the 2018 and 2019 models (see the memo page sent as "Standard variable change 2019 final"), as operative in the model, they do not significantly change award levels or net model output.

Accordingly, I recommend the JFC approve these changes, with the caveat that in future years a few sample runs (typical of those performed for VEPC applicants) be run to demonstrate and quantify "before" and "after" effects of these changes. Such runs will help the JFC understand the magnitude of "regular" update changes associated with the program, as well as any model specification improvements that may also similarly affect award levels and program costs to the State.

Please let me know if you or others have any questions regarding these changes or the methodological constructs that underlie the VEGI Cost-Benefit Model.

Agency of Commerce and Community Development
Department of Economic Development
National Life Building – Davis Building, 6th Floor
One National Life Drive
Montpelier, VT 05620-0501
accd.vermont.gov

[phone] 802-828-3211
[fax] 802-828-3383

Megan Sullivan, Executive Director, Vermont Economic Progress Council
Verbal testimony to the Joint Fiscal Committee
September 16, 2019

Thank you, Madame Chair, for the opportunity to speak to the Joint Fiscal Committee today.

The individuals that make up the Vermont Economic Progress Council and its staff have the upmost respect for the State agencies involved in these matters and the role they serve. VEPC has spent months reviewing the audit of the Saint Albans TIF District, and have continually stated the audit raised many important issues that need further clarification. VEPC staff and its Vice Chair attended the audit exit interview, the full Council participated in drafting management comments in which we accepted all recommendations to us, and hours of the Council's summer retreat were spent discussing in detail the issues raised in the audit. VEPC members bring an immense amount of expertise to their work and they have acted with independence and integrity.

On the first issue raised in the letter regarding related costs, the Council did not find that a fee was paid to a private developer. The Council reviewed the invoice and questioned the City and found that the fee paid for real estate broker services for which the contractor was acting solely on behalf of the City. The Council reviewed statute and the TIF Rule and determined this consulting service fit within the definition of an allowable related cost.

On debt proceeds for debt service: As background, debt service reserve funds are a common practice in bonding, especially in general obligation bonds such as those issued for TIF debt in Vermont. The City of Saint Albans had intended to finance its debt in the years increment wasn't available through this method and has documentation from the bond sale outlining this intention. They received legal guidance and at no point prior to their audit was told this may not be allowable in TIF.

VEPC and our legal counsel have the greatest respect for the Attorney General and for Bill Griffin who wrote the memorandum on this matter at the request of the State Auditor's Office. The guidance provided to VEPC from our legal counsel agrees with the legal guidance



given in the memorandum based its more narrow review of Title 24, Subchapter 5 and deference to Mr. Griffin is outlined in that document. What VEPC's counsel points out however is that this review did not also consider TIF statute in Title 32. Amongst other areas, counsel refers to the requirement for applicants to show need, the purpose provision, and to a section of Title 32 which broadly provides, "Any use of education property tax increment approved shall remain available to the municipality for the full period authorized...." Our attorney found that when taken together this issue is less than clear and found that it is a reasonable interpretation for VEPC to find that this standard financing tool could be utilized.

This guidance was neither sought nor provided with any malice intent or disrespect but as it is a critical issue this was provided to seek additional guidance from the Attorney General's Office that looked more broadly at both guiding statutes. We have not received further written guidance to date but would continue to welcome discourse with any of the attorneys that are involved.

The Audit recommended the City seek determinations from VEPC on a number of findings and VEPC worked diligently and under legal guidance to review the issues raised and make determinations.

A request in the letter sent to me from this body was that VEPC not provide guidance on this issue or include it in a Rule update with the understanding that this will be specifically dealt with in the legislative session. I have respected that request and do not have this included in the draft of the Rule update, however there is a great deal of anxiety and frustration in our TIF Districts right now who are trying to understand what this means for them both retrospectively and prospectively. While it is imperative that this be resolved in this legislative session, if VEPC is being asked not to provide guidance on this issue how are these immediate concerns to be answered? I can continue to refer Districts to members of this body or their legislative representatives, but guidance is needed.

For months we have been working internally with the Tax Department on a draft update to the 2015 Adopted TIF Rule. We are doing this with the goal of providing technical clarification in areas throughout the TIF program so all parties involved have the same understanding of expectations and obligations. The meeting that was held last month between VEPC staff and TIF Districts had been planned for months as an informational session for the Districts to review our first draft of that rewrite. I believe that getting input prior to entering the official and lengthy Rule making process from the parties most affected is important to achieve the outcome of clarity. In addition to taking comments from Districts, I have been speaking with VEPC's legislative members about having a meeting specifically with legislators to review the

next draft and have inquired with the State Auditor's Office about renewing their role as a technical advisor.

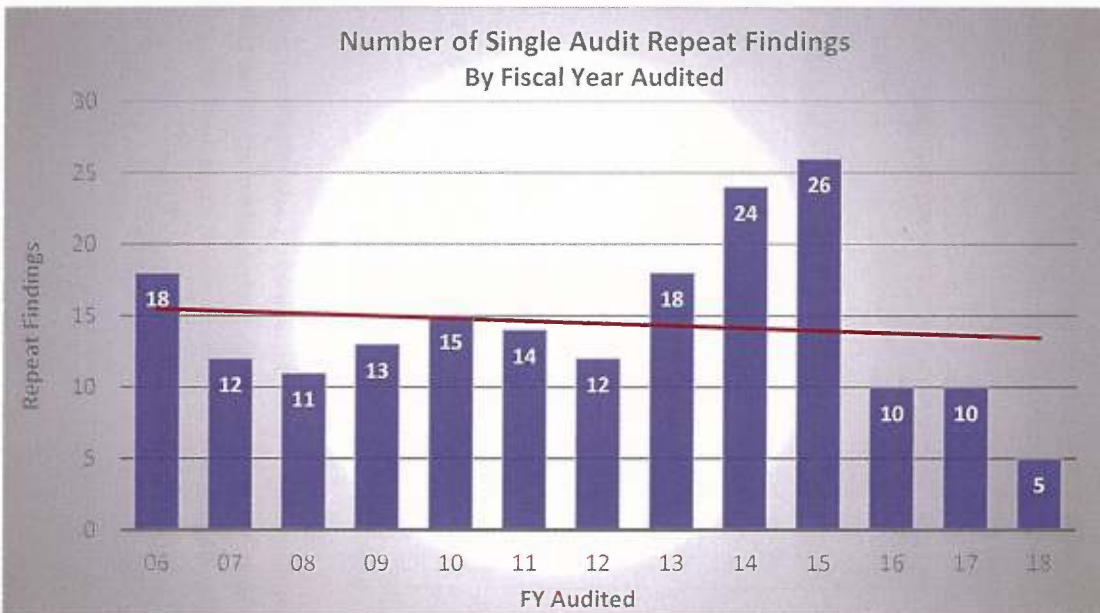
I began this position one year ago it has been my intention that the first of many steps in overseeing this program is in providing guidance and assistance to the Vermont communities participating in TIF in order to help them get it right. Waiting to catch communities getting it wrong serves no one and I don't believe would have been the intent of VEPC's role. Vermont's municipalities are doing their best to use their time in this program to better the centers of their community while also complying with statute. When issue resolution or compliance enforcement is warranted, we will use the procedures in place to bring a District into compliance. Whether it is through monitoring, substantial change, issue resolution or compliance enforcement, we will continue to diligently oversee this program while treating the communities in it with respect.

I know much of the ongoing dialogue of this situation has been playing out in commentaries, editorials, and comment sections. VEPC has been largely absent from these forums as I personally don't have the time or the intention as a State Employee of being part of an online debate, but this silence is not an indication that I always agree with how VEPC or its actions have been represented. If at any time a State agency, a member of the legislative body, or a member of the public would like to engage in a constructive dialogue about VEPC or TIF, I would be more than happy to make the time to have that conversation and greatly appreciate the time that this Committee has provided me today for that purpose, thank you. I would welcome any questions Committee members may have.

Federal Single Audit in Context

Auditors issue adverse or qualified opinions in the Federal Single Audit when the State does not comply with federal programs in a way that can have a direct and material effect on those programs or undermines compliance with the requirements of those programs. When such opinions are issued, the non-compliant programs must be re-audited the next year, which adds to the State's auditing expenses.

The first graph below shows the general downward trend in programs with these findings since 2006. This downward trend is driven by 1) improved administration and coordination of programs and the audit, and 2) higher audit thresholds paired with lesser audit requirements. The lower graph shows the number of repeat findings from one Single Audit year to the next.



Overview of Federal Single Audit Findings

The table below provides an overview of the findings of the FY2018 Single Audit of compliance with major federal programs. To read the details of a finding, simply click on the blue number in the far-left column of the table, and the page will open in your Internet browser. As the table below shows, qualified opinions were issued for two federal programs in FY2018, which must be re-audited as part of the FY2019 audit.

| Overview: FY2018 Single Audit of Major Federal Programs | | | | | |
|---|--------------|---|----------------------------------|-----------------------|------------------------|
| Finding # (Click to View) | State Agency | Federal Program | Adverse or Qualified Opinion? | Material Weakness? | Prior Year Finding? |
| 2018-002 | AHS | Supplemental Nutrition Assistance Program | No | No | Yes |
| 2018-003 | AOE | Child Nutrition Cluster | No | No | Yes |
| 2018-004 | AOE | Child Nutrition Cluster | No | No | Yes |
| 2018-005 | AOE | Child Nutrition Cluster | Qualified | Yes | Yes |
| 2018-006 | AOE | Child Nutrition Cluster | No | No | Yes |
| 2018-007 | ACCD | Community Development Block Grant | No | No | No |
| 2018-008 | AOT | Highway Safety Cluster | Qualified | Yes | No |
| 2018-009 | AHS | Temporary Assistance for Needy Families | No | No | No |
| 2018-010 | AHS | Temporary Assistance for Needy Families | No | No | No |
| 2018-011 | AHS | Foster Care Title IV-E | No | No | No |
| 2018-012 | AHS | Medicaid Cluster | No | No | No |

Additionally, a material weakness was identified as part of the audit of internal control over financial reporting. The finding was the result of a misstatement related to component units of the University of Vermont. Details of that finding are available on [page 23 of the audit report](#), and the Department of Finance and Management has indicated it is taking corrective action.



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: Joint Fiscal Committee members
From: Daniel Dickerson, Fiscal Analyst
Date: August 30, 2019
Subject: Grant Request – JFO #2970

Enclosed please find one (1) item, which the Joint Fiscal Office has received from the Administration. **The Dept. of Children and Families has requested expedited review of this item.** Members will be contacted by September 6, 2019 for a decision unless the member has responded prior to that date.

JFO #2970 – \$3,363,695 from the U.S. Dept. of Health and Human Services – Administration for Children and Families to the VT Dept. of Children and Families (DCF). The funding would be used to improve the system of integrated early childhood (EC) services in Vermont through 1) improved understanding of how children, families and EC professionals are currently served, 2) identifying and addressing service gaps, 3) updating the VT Early Childhood Action Plan, and 4) sustain and grow innovations in EC programs. **The DCF is requesting three (3) limited-service positions to carry out the grant activities:** Grant Program Manager, Contract Grant Administrator, and a Communications & Outreach Coordinator. The Permanent Fund for Vermont's Children has pledged approximately \$1.01 million in spending towards the overall initiative, which is considered matching funds for the federal grant. These additional funds will not flow through DCF. The work is intended to be completed in State FY20.

Note: The notice of award for this grant was received by DCF in March but was delayed in the AHS – Central Office for several months due to issues with DCF grant and contracting procedures. DCF subsequently implemented a corrective action plan (CAP) to address these issues, which allowed the grant approval request to move forward. This has driven the request for expedited review, as the grant award stipulates that the grant activities must be completed by 12/30/2019. DCF intends to apply for an extension until 6/30/2020, which it believes would allow it enough time to complete the grant activities, but it cannot file for the extension until 90-days prior to the grant end-date. One further note is that the Finance and Management review form and the AA-1 form both indicate that grant funding would be utilized in State FY19 and FY20. However, since FY19 has ended, all grant funding would be used in FY20.
[JFO received 8/20/19]

Please review the enclosed materials and notify the Joint Fiscal Office (Daniel Dickerson at (802) 828-2472; ddickerson@leg.state.vt.us) if you have questions or would like this item held for legislative review.

State of Vermont
Department of Finance & Management
109 State Street, Pavilion Building
Montpelier, VT 05620-0401

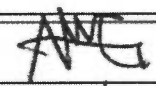
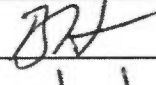
[phone] 802-828-2376
[fax] 802-828-2428

Agency of Administration
RECEIVED

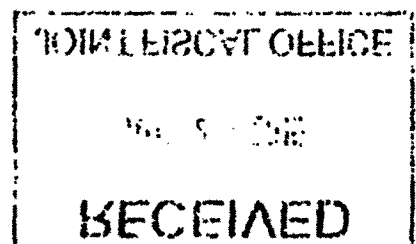
AUG 20 2019

JOINT FISCAL OFFICE

**STATE OF VERMONT
FINANCE & MANAGEMENT GRANT REVIEW FORM**

| | | | | | |
|---|--------------|---|---|---|------------------------------------|
| Grant Summary: | | This grant is an opportunity to continue to improve an integrated system of early childhood services for Vermont children and families. | | | |
| Date: | | 7/19/2019 | | | |
| Department: | | Department for Children and Families | | | |
| Legal Title of Grant: | | ESSA Presschool Development Grants Birth through Five (PDG B-5) | | | |
| Federal Catalog #: | | 94.434 | | | |
| Grant/Donor Name and Address: | | Department of Health and Human Services, Administration for Children and Families, Office of Child Care, 330 C ST SW, 4th floor, Washington, DC | | | |
| Grant Period: | From: | 12/31/18 | To: | 12/30/2019 | |
| Grant/Donation | | \$3,363,695 | | | |
| | SFY 1 | SFY 2 | SFY 3 | Total | Comments |
| Grant Amount: | \$567,910 | \$2,795,785 | \$ | \$3,363,695 | +\$1,009,109 Let's Grow Kids match |
| Position Information: | | # Positions | Explanation/Comments | | |
| | | 3 | Grant funds will be used for a 3 new limited service positions. Anticipated end date is 2/28/2020 because DCF requested an extension of this grant with DHHS. | | |
| Additional Comments: | | The NOA was received by DCF on 3/08/2019, however AHS-CO did not submit the grant package to AOA until 7/01/2019. DFM identified a discrepancy on the NOA which has been addressed by DCF (see attached communication). | | | |
| | | * expedited review requested - attached | | | |
| Department of Finance & Management | | | |  | (Initial) |
| Secretary of Administration | | | |  | (Initial) |
| Sent To Joint Fiscal Office | | | | 8/19/19 | Date |







Department for Children and Families
Commissioner's Office
280 State Drive – HC 1 North
Waterbury, VT 05671-1080
www.dcf.vt.gov

[phone] 802-241-0929
[fax] 802-241-0950

Agency of Human Services

Memorandum

To: Joint Fiscal Office
CC: Finance and Management
From: Ken Schatz, DCF Commissioner *KAS*
Re: Request to Expedite Review of the PDG B-5 Grant
Date: July 10, 2019

The administration has requested expedited approval of the AA-1 for the PDG B-5 grant (Preschool Development Grant – Birth through Five) that you have in your queue. This grant has a one-year spending period that began January 1, 2019 and ends December 31, 2019. It is anticipated that the grant will be extended to February 29, 2020 based on emails from the Director of the Division of Interagency and Special Initiatives for the Department of Health and Human Services.

This grant will require the hiring of limited services staff, as well as going through the procurement process for the deliverables associated with the scope of work. Both the hiring and procurement process will each require 60-90 days and thus apply further pressure to the timeline.

This grant requires five specific activities:

1. Conducting a needs assessment;
2. Creating a strategic plan;
3. Maximizing parental knowledge and choice;
4. Sharing best practices; and
5. Improving overall quality.

In addition, Vermont Child Health Improvement (VCHIP) will develop an evaluation plan.

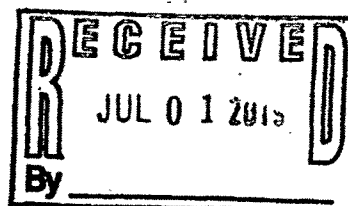
This grant engages numerous stakeholders, both internal and external. With only seven months left to complete this work (assuming the end of February 2020), we request an expedited approval of the AA-1 process that you have in your queue. Thank you.



STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE (Form AA-1)

| BASIC GRANT INFORMATION | | | |
|---|---|------------|----------------|
| 1. Agency: | Agency of Human Services | | |
| 2. Department: | Department for Children and Families | | |
| 3. Program: | Vermont Birth through Five System Improvement Project | | |
| 4. Legal Title of Grant: | ESSA Preschool Development Grants Birth through Five (PDG B-5) | | |
| 5. Federal Catalog #: | 93.434 | | |
| 6. Grant/Donor Name and Address: | Department of Health and Human Services, Administration for Children and Families, Office of Child Care | | |
| 7. Grant Period: | From: | 12/31/2018 | To: 12/30/2019 |
| 8. Purpose of Grant: | <p>The project will (1) improve our understanding of how young children, families, and early childhood professionals are served in the Early Childhood (EC) system, with particular attention to vulnerable populations in our rural state; (2) identify and address unmet needs and gaps in service delivery; (3) update Vermont's Early Childhood Action Plan as a strategic plan for realizing the promise of every Vermont child; and (4) sustain and grow emerging innovations that improve the quality of (EC) programs, expand parental choice and knowledge about existing programs, and enhance school readiness for children.</p> | | |
| 9. Impact on existing program if grant is not Accepted: | <p>Missed opportunity to continue to improve an integrated system of early childhood services for Vermont children and families. There will be an opportunity for additional federal funding for some states to continue work in early childhood in fall 2019. Successful execution of this grant will increase the likelihood of accessing those funds for Vermont.</p> | | |

| BUDGET INFORMATION | | | | |
|-------------------------|-------------------------------|--------------------|-----------|---|
| | SFY 1 | SFY 2 | SFY 3 | Comments |
| Expenditures: | FY 19 | FY 20 | FY | |
| Personal Services | \$42,861 | \$170,546 | \$ | |
| Operating Expenses | \$473,663 | \$2,368,312 | \$ | |
| Grants | \$219,571 | \$1,097,851 | \$ | Inc. (Dept. Indirect) & (LGK match) funding |
| Total | \$736,095 | \$3,636,709 | \$ | |
| Revenues: | | | | |
| State Funds: | \$ | \$ | \$ | |
| Cash | \$ | \$ | \$ | |
| In-Kind | \$ | \$ | \$ | |
| Federal Funds: | \$24,710 \$516,524 | \$2,795,785 | \$ | |
| (Direct Costs) | \$516,524 | \$2,538,858 | \$ | |
| (Statewide Indirect) | \$ | \$ | \$ | |
| (Departmental Indirect) | \$51,386 | \$256,927 | \$ | |
| Other Funds: | \$168,185 | \$840,924 | \$ | Let's Grow Kids - Philanthropic match |



STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE (Form AA-1)

| | | | |
|----------------|------------------|--------------------|-----------|
| Grant (source) | \$ | \$ | \$ |
| Total | \$736,095 | \$3,636,709 | \$ |

| Appropriation No: | Amount: | \$ |
|--|--------------|--------------------|
| 3440010000 | | \$284,891 |
| 3440030000 | | \$3,078,804 |
| | | \$ |
| | | \$ |
| | | \$ |
| Let's Grow Kids Matching funds no appropriation required | | \$1,009,109 |
| | Total | \$4,372,804 |

PERSONAL SERVICE INFORMATION

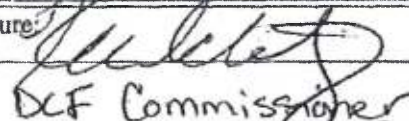
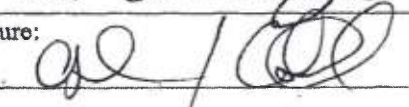
11. Will monies from this grant be used to fund one or more Personal Service Contracts? ☒ Yes ☐ No
If "Yes", appointing authority must initial here to indicate intent to follow current competitive bidding process/policy.

Appointing Authority Name: Ken Schatz, DCF Commissioner Agreed by:  (initial)

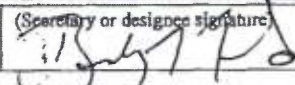
| 12. Limited Service Position Information: | # Positions | Title |
|--|-------------|---|
| | 1 | CONTRACTS AND GRANTS ADMINISTRATOR [550200 requested] |
| | 1 | COMMUNICATIONS & OUTREACH COORDINATOR [81900 requested] |
| | 1 | GRANT PROGRAMS MANAGER [496600 requested] |
| Total Positions | 3 | |

12a. Equipment and space for these positions: ☒ Is presently available. ☐ Can be obtained with available funds.

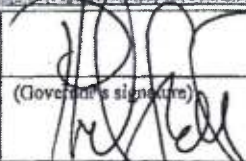
13. AUTHORIZATION AGENCY/DEPARTMENT

| | | |
|--|---|--------------|
| I/we certify that no funds beyond basic application preparation and filing costs have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant, unless previous notification was made on Form AA-1PN (if applicable): | Signature:  | Date: 4.8.19 |
| | Title: DCF Commissioner | |
| | Signature:  | Date: |
| | Title: | |

14. SECRETARY OF ADMINISTRATION

| | | |
|---|---|--------------|
| <input checked="" type="checkbox"/> Approved: | (Secretary or designee signature)  | Date: 7/2/19 |
|---|---|--------------|

15. ACTION BY GOVERNOR

| | | |
|--|--|---------------|
| <input checked="" type="checkbox"/> Check One Box: Accepted | (Governor's signature)  | Date: 8/13/19 |
| <input type="checkbox"/> Rejected | | |

STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE (Form AA-1)

| 16. DOCUMENTATION REQUIRED | |
|---|---|
| Required GRANT Documentation | |
| <input checked="" type="checkbox"/> Request Memo <input type="checkbox"/> Dept. project approval (if applicable) <input checked="" type="checkbox"/> Notice of Award <input checked="" type="checkbox"/> Grant Agreement <input checked="" type="checkbox"/> Grant Budget | <input type="checkbox"/> Notice of Donation (if any) <input checked="" type="checkbox"/> Grant (Project) Timeline (if applicable) <input type="checkbox"/> Request for Extension (if applicable) <input type="checkbox"/> Form AA-1PN attached (if applicable) |
| End Form AA-1 | |
| (*) The term "grant" refers to any grant, gift, loan, or any sum of money or thing of value to be accepted by any agency, department, commission, board, or other part of state government (see 32 V.S.A. §5). | |

STATE OF VERMONT
Joint Fiscal Committee Review
Limited Service - Grant Funded
Position Request Form

This form is to be used by agencies and departments when additional grant funded positions are being requested. Review and approval by the Department of Human Resources must be obtained prior to review by the Department of Finance and Management. The Department of Finance will forward requests to the Joint Fiscal Office for JFC review. A Request for Classification Review Form (RFR) and an updated organizational chart showing to whom the new position(s) would report must be attached to this form. Please attach additional pages as necessary to provide enough detail.

Agency/Department: AHS/DCF/Child Development Division Date: 03/09/2019

Name and Phone (of the person completing this request): Doreen Marquis - 802.241.0936

Request is for:

- ☒ Positions funded and attached to a new grant.
☐ Positions funded and attached to an existing grant approved by JFO # _____

1. Name of Granting Agency, Title of Grant, Grant Funding Detail (attach grant documents):

US Department of Health & Human Services - ESSA Preschool Development Grants Birth through Five (PDG B-5)
CFDA 93.434 - (Supporting Documents Attached)

2. List below titles, number of positions in each title, program area, and limited service end date (information should be based on grant award and should match information provided on the RFR) position(s) will be established only after JFC final approval:

| Title* of Position(s) Requested | # of Positions | Division/Program | Grant Funding Period/Anticipated End Date |
|---------------------------------|----------------|------------------|---|
| Grant Program Manager | 1 | CDD | 3/1/2019 - 2/28/2020 |
| Contract Grant Administrator | 1 | CDD | 3/1/2019 - 2/28/2020 |
| Communications & Outreach Coord | 1 | CDD | 3/1/2019 - 2/28/2020 |

*Final determination of title and pay grade to be made by the Department of Human Resources Classification Division upon submission and review of Request for Classification Review.

3. Justification for this request as an essential grant program need:

In order for the Child Development Division to coordinate grant activities, financially manage expenditures and provide sufficient communication and data reporting required by the grant these three positions will need to be available to CDD. Insufficient capacity to meet this new grant's requirements currently exists within CDD and will result in the division being unable to meet the deliverables that were committed to in the application.

I certify that this information is correct and that necessary funding, space and equipment for the above position(s) are available (required by 32 VSA Sec. 5(b)).

[Signature] AD / GDD 3/11/19
Signature of Agency or Department Head Date

[Signature] 7/5/2019
Approved/Denied by Department of Human Resources Date

Approved/Denied by Finance and Management Date

Approved/Denied by Secretary of Administration Date

Comments:

Daniel Dickerson

From: Rex, Judith <Judith.Rex@vermont.gov>
Sent: Tuesday, August 20, 2019 3:34 PM
To: Daniel Dickerson; Gilhuly, Christine; DiRuocco, Luciana
Cc: Donahey, Richard; Elmquist, Candace; Johnson, Jaye; Clark, Sarah; O'Connell, Tracy E; Schatz, Ken; Murphy, Reeve; Evans, Brian; Truckle, Sarah; Sorsha Anderson; Stephen Klein
Subject: RE: Grant Expedition Request: PDG B-5

Hi Daniel,
I have responded to your requests and questions below in red.

I assume F&M can amend the AA-1 and their cover memo to show that no grant funds will be expended in FY 19 and can get the necessary signatures for the limited-service position request forms.

I have included an explanation of the delay in signatures. If you still need me to update the Commissioner's memo requesting the expedited review, please let me know.

Also, I provided answers to your questions, but if you need additional information, please let me know.
Thanks,
Judy

Judith Rex
Director of Policy and Planning
DCF Commissioner's Office
280 State Drive, HC 1 North
Waterbury, VT 05671-1080
Cell Phone: 802-398-7870
Office Phone: 802-241-0953

From: Daniel Dickerson <ddickerson@leg.state.vt.us>
Sent: Monday, August 19, 2019 5:00 PM
To: Gilhuly, Christine <Christine.Gilhuly@vermont.gov>; DiRuocco, Luciana <Luciana.DiRuocco@vermont.gov>
Cc: Donahey, Richard <Richard.Donahey@vermont.gov>; Elmquist, Candace <Candace.Elmquist@vermont.gov>; Johnson, Jaye <Jaye.Johnson@vermont.gov>; Clark, Sarah <Sarah.Clark@vermont.gov>; O'Connell, Tracy E <Tracy.OConnell@vermont.gov>; Schatz, Ken <Ken.Schatz@vermont.gov>; Murphy, Reeve <Reeve.Murphy@vermont.gov>; Evans, Brian <Brian.Evans@vermont.gov>; Rex, Judith <Judith.Rex@vermont.gov>; Truckle, Sarah <Sarah.Truckle@vermont.gov>; Sorsha Anderson <SAnderson@leg.state.vt.us>; Klein, Stephen <sklein@leg.state.vt.us>
Subject: RE: Grant Expedition Request: PDG B-5

Hello all,

I have a few requests/questions stemming from my initial review of this grant packet. A quick response would be extremely helpful in keeping this expedited review request moving.

Requests:

1. The AA-1 and F&M cover memo both should be amended to show that no grant funds will be expended in FY19. No grant funds were expended in FY 19. All grant funds should be allocated to FY 20.

2. The limited-service position request form is missing two signatures. Can those signatures be added and sent back to me?
The two signatures missing are Finance and Management and Secretary of Administration.
3. It would be helpful if the Commissioner's memo requesting expedited review provided an explanation for where the AA-1 was between when it received its first signature (4/8/19) and when it received its next signature (7/26/19). The limited-service position form was first signed on 3/11/19 and not subsequently signed until 7/5/19 (and is missing two signatures as noted above).
The DCF Commissioner signed the AA-1 on 4/8/19 and sent it for review by the AHS Secretary's office. During this same time period, AHS had identified some concerns with the DCF/CDD grants and contracts procedures. A review of CDD procedures was conducted that resulted in a report with recommendations to revise CDD internal grant/contract procedures. AHS/DCF/CDD then put into place a Corrective Action Plan (CAP) to implement the report's recommendations. Once the CAP was in place, AHS moved forward on the PDG grant approval packet which resulted in a 3-month delay.

Questions:

1. Assuming that JFC agrees to the expedited review and the grant funding/positions are approved by the end of the month, can this work be accomplished in 4 months? (or 6 months if HHS formally agreed to extend the grant period through the end of February). Can a revised timeline for all of the grant activities be created and sent to accompany these grant materials?
In a phone call with Richard Gonzales, (Director of the Division of Interagency and Special Initiatives) on 7/19/19, he informed CDD that we can request a no-cost extension for up to 1 year (12/31/2020) in September of 2019. No-cost extensions can only be applied for 90 days prior to the grant end date. We plan to ask for an extension through 6/30/2020. This will give us 10 months to complete the grant activities which we feel is doable.

Revised workplan and timeline:

| Grant Activity | Start Date | Completion Date |
|--|------------|-----------------|
| Conduct Needs Assessment | 9/1/19 | 2/1/20 |
| Create Strategic Plan | 9/1/19 | 3/1/20 |
| Maximizing Parental Knowledge and Choice | 10/1/19 | 6/30/20 |
| Sharing Best Practices | 10/1/19 | 6/30/20 |
| Improving Overall Quality | 3/1/20 | 6/30/20 |

2. Did HHS formally agree to extend the grant period through February 2020? If so, can documentation be sent indicating the extension?
HHS cannot "officially" grant the extension until September of 2019 (90 days prior to the grant end date). This is a federal requirement of the grants management system. There is e-mail correspondence between Richard Gonzales and Reeva Murphy referencing the feds intent to extend the grant through February 2020.
3. In the Commissioner's memo, he indicated that hiring and procurement would take 60-90 days. Does DCF/AHS believe that it can find individuals willing to take a job for 4-6 months? Most limited-service position requests cover at least a year.
Given the plan to ask for a no-cost extension through 6/30/20, we feel we can fill the limited service positions. The PDG grant program has also announced funding for years 2 - 4 grant activities. The FOA is coming out in September of 2019. We believe this future funding opportunity will assist with the recruitment.
4. Was any of this grant funding built into DCF's FY20 budget request? No

Thank you.

Daniel Dickerson

Fiscal Analyst / Business Manager

Vermont Legislative Joint Fiscal Office

One Baldwin Street | Montpelier, VT 05633-5701

802.828.2472

From: Gilhuly, Christine [<mailto:Christine.Gilhuly@vermont.gov>]

Sent: Monday, August 19, 2019 9:34 AM

To: DiRuocco, Luciana

Cc: Donahey, Richard; Elmquist, Candace; Johnson, Jaye; Clark, Sarah; O'Connell, Tracy E; Schatz, Ken; Murphy, Reeve; Evans, Brian; Rex, Judith; Truckle, Sarah; Daniel Dickerson; Sorsha Anderson

Subject: RE: Grant Expedition Request: PDG B-5

Good morning Luciana,

Attached please find the approved grant request for your records. Please note the original, with all supporting documents is on route to the JFO via pink mail.

Thank you,

Chrissy Gilhuly

State of Vermont | Office of the Commissioner, Department of Finance and Management

109 State Street, 5th Floor | Montpelier, VT 05609

christine.gilhuly@vermont.gov

ph: (802) 828-2376

From: Gilhuly, Christine

Sent: Wednesday, July 10, 2019 10:37 AM

To: DiRuocco, Luciana <Luciana.DiRuocco@vermont.gov>

Cc: Rich Donahey (Richard.Donahey@vermont.gov) <Richard.Donahey@vermont.gov>; Elmquist, Candace <Candace.Elmquist@vermont.gov>

Subject: RE: Grant Expedition Request: PDG B-5

Good morning,

Thank you for sending!

Candace is on vacation this week and I want to be sure I process correctly. Has this memo already been sent to the JFO (I don't see anyone from the JFO cc'd) OR would you like our office review and then forward?

Thank you for the clarification and all the best,

Chrissy Gilhuly

Department of Finance and Management

christine.gilhuly@vermont.gov

ph: (802) 828-2376

From: DiRuocco, Luciana <Luciana.DiRuocco@vermont.gov>

Sent: Wednesday, July 10, 2019 10:17 AM

To: Elmquist, Candace <Candace.Elmquist@vermont.gov>; Gilhuly, Christine <Christine.Gilhuly@vermont.gov>

Cc: Schatz, Ken <Ken.Schatz@vermont.gov>; Clark, Sarah <Sarah.Clark@vermont.gov>; Truckle, Sarah <Sarah.Truckle@vermont.gov>; Evans, Brian <Brian.Evans@vermont.gov>; Murphy, Reeva <Reeva.Murphy@vermont.gov>; Rex, Judith <Judith.Rex@vermont.gov>; O'Connell, Tracy E <Tracy.OConnell@vermont.gov>

Subject: Grant Expedition Request: PDG B-5

Please see the attached memo from DCF Commissioner Ken Schatz, to the Joint Fiscal Office through Finance and Management. Please contact Sarah Truckle with any questions.

Thank you,

Luciana DiRuocco

Executive Staff Assistant, Public Information Officer

State of Vermont Secretary of State's Office, 100 State Street, Room 1000, Montpelier, VT 05602

Phone: 802-241-2345 Fax: 802-241-2346 Email: Luciana.DiRuocco@vermont.gov

Website: <http://www.vermont.gov>

"Everyone has a story and every story is worth listening to"



Please consider the environment before printing this e-mail

Elmquist, Candace

From: O'Connell, Tracy E
Sent: Friday, July 19, 2019 1:15 PM
To: Elmquist, Candace
Cc: Clark, Sarah
Subject: FW: Vermont PDG B-5 - discrepancy between budgets in Notice of Award and approved 424A

Hi Candace,

See correspondence below.

Thank you for moving this along.

Thank you,
Tracy

From: Truckle, Sarah <Sarah.Truckle@vermont.gov>
Sent: Friday, July 19, 2019 1:00 PM
To: O'Connell, Tracy E <Tracy.OConnell@vermont.gov>
Subject: FW: Vermont PDG B-5 - discrepancy between budgets in Notice of Award and approved 424A

Here is the email that came in this morning – let me know if you need anything else.

Sarah

Sarah Truckle
Child Development Director of Operations
Child Development Division, Department for Children & Families
802-241-0824 (Desk)
802-760-8750 (Cell)

From: Gonzales, Richard (ACF) <Richard.Gonzales@ACF.hhs.gov>
Sent: Friday, July 19, 2019 10:30 AM
To: Murphy, Reeva <Reeva.Murphy@vermont.gov>
Cc: Truckle, Sarah <Sarah.Truckle@vermont.gov>; Rex, Judith <Judith.Rex@vermont.gov>; Chin, Keith (ACF) <keith.chin@acf.hhs.gov>; Kimberly Mitchell (Kimberly.Mitchell@ed.gov) <Kimberly.Mitchell@ed.gov>
Subject: RE: Vermont PDG B-5 - discrepancy between budgets in Notice of Award and approved 424A

Hello Reeva,

In all honesty, I have no idea why the 424A and the actual grant award do not match in certain categories – Personnel, Fringe benefits, Travel and Contractual – and the grants management person who did the work is no longer working with the PDG B-5 Initiative. The good news is that this is an EASY fix and can be done as soon as someone on your end can go into GrantSolutions and submit a budget mod request placing the desired amounts in the correct categories. Thankfully, the overall federal grant amount is correct and we have no problem with you making adjustments to the line item amounts now or later, if amounts need to be modified again as work is being completed.

Hope that helps.

Thanks,
Richard

From: Murphy, Reeva <Reeva.Murphy@vermont.gov>
Sent: Friday, July 19, 2019 9:49 AM
To: Gonzales, Richard (ACF) <Richard.Gonzales@ACF.hhs.gov>; Kimberly Mitchell (Kimberly.Mitchell@ed.gov) <Kimberly.Mitchell@ed.gov>
Cc: Truckle, Sarah <Sarah.Truckle@vermont.gov>; Rex, Judith <Judith.Rex@vermont.gov>
Subject: Vermont PDG B-5 - discrepancy between budgets in Notice of Award and approved 424A
Importance: High

Richard and Kimberly
This is the follow up email I mentioned yesterday.

I have attached the revised 424A that Vermont submitted in January 2019 which was approved as our revised budget and the Final award notice we received in March 2019 reflecting the Object Class categories. You will see that though the bottom line of the Federal award is correct and congruent, there is not a match between line items for: Personnel, Fringe benefits, Travel and Contractual.

I've also attached the revised budget justification describing the budget submitted in the 424A which supports those object Class category amounts.

Can you explain why these do not match? Sorry that I, and our DCF budget office did not pick this up when we received the approval. Our Finance and Management folks in Administration have noticed the discrepancy in reviewing for approval and are asking about it.

Thanks for any help you can lend at your earliest convenience.
Reeva

Reeva Sullivan Murphy

Deputy Commissioner



Department for Children and Families

Child Development Division

NOB 1, 280 State Drive,

Waterbury, Vermont 05671-1040

<http://dcf.vermont.gov/cdd>

[phone] 802-241-0819
[cell phone] 802-760-0792
[email] reeva.murphy@vermont.gov

PLEASE NOTE NEW ADDRESS!

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES
NOTICE OF AWARD**

SAI NUMBER:

PMS DOCUMENT NUMBER:

| | | | | |
|--|---|---|--|---|
| 1. AWARDING OFFICE: Office of Child Care | | 2. ASSISTANCE TYPE: Discretionary Grant | 3. AWARD NO.: 90TP0041-01-01 | 3a. AMEND. NO.: 1 |
| 4. FAIN: 90TP0041 | | | | |
| 5. TYPE OF AWARD: Demonstration | | 6. TYPE OF ACTION: Budget Revision | | 7. AWARD AUTHORITY: PRWORA OF 1998, PL 104-193 |
| 8. BUDGET PERIOD: 12/31/2018 THRU 12/30/2019 | 9. PROJECT PERIOD: 12/31/2018 THRU 12/30/2019 | 10. CFDA NO.: 93.434 - ESSA Preschool Development Grants Birth through Five | | |
| 11. RECIPIENT ORGANIZATION: Human Services, Vermont Agency Of 280 State Drive Nob 1 North Waterbury, VT 05671-0001 Grantee Authorizing Official: Ken Schatz, AHS-DCF Commissioner | | | 12. PROJECT / PROGRAM TITLE: Vermont Birth through Five System Improvement Project | |
| 13. COUNTY: Washington | 14. CONGR. DIST: 00 | 15. PRINCIPAL INVESTIGATOR OR PROGRAM DIRECTOR: Raeva Sullivan Murphy Deputy Commissioner | | |
| 16. APPROVED BUDGET: | | 17. AWARD COMPUTATION: | | |
| Personnel..... \$ 546,338.00 | | A. NON-FEDERAL SHARE..... \$ 1,009,109.00 23.08% | | |
| Fringe Benefits..... \$ 209,544.00 | | B. FEDERAL SHARE..... \$ 3,363,695.00 76.92% | | |
| Travel..... \$ 28,176.00 | | 18. FEDERAL SHARE COMPUTATION: | | |
| Equipment..... \$ 13,500.00 | | A. TOTAL FEDERAL SHARE..... \$ 3,363,695.00 | | |
| Supplies..... \$ 0.00 | | B. UNOBLIGATED BALANCE FEDERAL SHARE..... \$ 0.00 | | |
| Contractual..... \$ 1,972,933.00 | | C. FED. SHARE AWARDED THIS BUDGET PERIOD... \$ 3,363,695.00 | | |
| Facilities/Construction..... \$ 0.00 | | 19. AMOUNT AWARDED THIS ACTION: \$ 0.00 | | |
| Other..... \$ 284,891.00 | | 20. FEDERAL \$ AWARDED THIS PROJECT PERIOD: \$ 3,363,695.00 | | |
| Direct Costs..... \$ 3,055,382.00 | | 21. AUTHORIZED TREATMENT OF PROGRAM INCOME: | | |
| Indirect Costs..... \$ 308,313.00 | | Additional Costs | | |
| In Kind Contributions..... \$ 0.00 | | 22. APPLICANT EIN: 036000264 | | |
| Total Approved Budget..... \$ 3,363,695.00 | | 23. PAYEE EIN: 1036000264C7 | | 24. OBJECT CLASS: 41.51 |
| 25. FINANCIAL INFORMATION: | | | | |
| ORGN | DOCUMENT NO. | APPROPRIATION | CAN NO. | NEW AMT. |
| | 90TP004101 | 75-1819-1536 | 9-G990145 | \$0.00 |
| DUNS 809376155 UNOBLIG. NONFED % | | | | |
| 26. REMARKS: (Continued on separate sheets) | | | | |
| Grantee's revised budget has been reviewed and approved. Therefore, this action serves to release the restriction on grant funds as imposed by the previous Notice of Award. Grantee may draw down Federal funds as per requirements of the Payment Management System. | | | | |
| Indirect costs budgeted at \$308,313 are restricted pending receipt of a valid Indirect Cost Rate Agreement for the current budget period | | | | |
| 27. SIGNATURE - ACF GRANTS OFFICER Timothy Chappelle Office of Grants Management 370 L'Enfant Promenade, SW Washington, DC 20447 Phone: N/A | | ISSUE DATE: 03/08/2019 | | 28. SIGNATURE(S) CERTIFYING FUND AVAILABILITY Ms Toya Hodnett 03/08/2019 |
| 29. SIGNATURE AND TITLE - PROGRAM OFFICIAL(S) Mr Andrew1 Williams - | | DATE: 03/08/2019 | | |

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES
NOTICE OF AWARD

SAI NUMBER:

PMS DOCUMENT NUMBER:

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|---|--|--|---|----------------------|
| 1. AWARDING OFFICE: Office of Child Care | | 2. ASSISTANCE TYPE: Discretionary Grant | 3. AWARD NO.: 90TP0041-01-01 | 3a. AMEND. NO.: 1 |
| 4. FAIN: 90TP0041 | | | | |
| 5. TYPE OF AWARD: Demonstration | | 6. TYPE OF ACTION: Budget Revision | 7. AWARD AUTHORITY: PRWORA OF 1996, PL 104-193 | |
| 8. BUDGET PERIOD: 12/31/2018 THRU 12/30/2019 | 9. PROJECT PERIOD: 12/31/2018 THRU 12/30/2019 | 10. CFDA NO.: 93.434 - ESSA Preschool Development Grants Birth through Five | | |
| 11. RECIPIENT ORGANIZATION: Vermont Department of Health | | | | |

STANDARD TERMS

1. All previously issued terms and conditions remain in effect.

CONTACTS

1. Questions concerning the programmatic aspects of the grant should be directed to Richard Gonzales via email to Richard.Gonzales@ACF.hhs.gov or at (202) 401-5138. Questions concerning the financial aspects of the grant should be directed to Roy Payne via email to roy.payne@acf.hhs.gov or call 202-401-4807.

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES
NOTICE OF AWARD**

SAI NUMBER:

PMS DOCUMENT NUMBER:

| | | | | |
|---|---|---|--|-----------------------------|
| 1. AWARDING OFFICE: Office of Child Care | | 2. ASSISTANCE TYPE: Discretionary Grant | 3. AWARD NO.: 90TP0041-01-00 | 3a. AMEND. NO.: 0 |
| 4. FAIN: 90TP0041 | | | | |
| 5. TYPE OF AWARD: Demonstration | | 6. TYPE OF ACTION: New | 7. AWARD AUTHORITY: PRWORA OF 1996, PL 104-193 | |
| 8. BUDGET PERIOD: 12/31/2018 THRU 12/30/2019 | 9. PROJECT PERIOD: 12/31/2018 THRU 12/30/2019 | 10. CFDA NO.: 93.434 - ESSA Preschool Development Grants Birth through Five | | |
| 11. RECIPIENT ORGANIZATION: HUMAN SERVICES, VERMONT AGENCY OF 280 State Drive Nob 1 North Waterbury, VT 05671-0001 Grantee Authorizing Official: Ken Schatz , AHS-DCF Commissioner | | | 12. PROJECT / PROGRAM TITLE: Vermont Birth through Five System Improvement Project | |
| 13. COUNTY: Washington | 14. CONGR. DIST: 00 | 15. PRINCIPAL INVESTIGATOR OR PROGRAM DIRECTOR: Reeva S Murphy | | |
| 16. APPROVED BUDGET: | | 17. AWARD COMPUTATION: | | |
| Personnel..... | \$ 0.00 | A. NON-FEDERAL SHARE..... \$ 1,424,054.00 29.74% | | |
| Fringe Benefits..... | \$ 0.00 | B. FEDERAL SHARE..... \$ 3,363,695.00 70.26% | | |
| Travel..... | \$ 0.00 | 18. FEDERAL SHARE COMPUTATION: | | |
| Equipment..... | \$ 0.00 | A. TOTAL FEDERAL SHARE..... \$ 3,363,695.00 | | |
| Supplies..... | \$ 0.00 | B. UNOBLIGATED BALANCE FEDERAL SHARE..... \$ 0.00 | | |
| Contractual..... | \$ 0.00 | C. FED. SHARE AWARDED THIS BUDGET PERIOD...\$ 0.00 | | |
| Facilities/Construction..... | \$ 0.00 | 19. AMOUNT AWARDED THIS ACTION: | | \$ 3,363,695.00 |
| Other..... | \$ 3,363,695.00 | 20. FEDERAL \$ AWARDED THIS PROJECT PERIOD: | | \$ 3,363,695.00 |
| Direct Costs..... | \$ 3,363,695.00 | 21. AUTHORIZED TREATMENT OF PROGRAM INCOME: | | |
| Indirect Costs..... | \$ 0.00 | Additional Costs | | |
| In Kind Contributions..... | \$ 0.00 | 22. APPLICANT EIN: | | 23. PAYEE EIN: |
| Total Approved Budget..... | \$ 3,363,695.00 | 036000264 | | 1036000264C7 |
| | | 24. OBJECT CLASS: | | 41.51 |
| 25. FINANCIAL INFORMATION: | | | | |
| ORGN | DOCUMENT NO. | APPROPRIATION | CAN NO. | NEW AMT. |
| | 90TP004101 | 75-1819-1536 | 9-G990145 | \$3,363.695 00 |
| | | | | DUNS 809376155 |
| | | | | UNOBLIG. |
| | | | | NONFED % |

26. REMARKS: (Continued on separate sheets)

| | | | |
|---|--|----------------------------------|--|
| 27. SIGNATURE - ACF GRANTS OFFICER Timothy Chappelle Office of Grants Management 370 L'Enfant Promenade, SW Washington, DC 20447 Phone: N/A | | ISSUE DATE: 12/21/2018 | 28. SIGNATURE(S) CERTIFYING FUND AVAILABILITY Ms. Toya Hodnett 12/21/2018 |
| 29. SIGNATURE AND TITLE - PROGRAM OFFICIAL(S) Mr. Andrew1 Williams - | | DATE: 12/21/2018 | |

DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES
NOTICE OF AWARD

SAI NUMBER:

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| 4. FAIN: 90TP0041 | | | | |
| 5. TYPE OF AWARD: Demonstration | | 6. TYPE OF ACTION: New | 7. AWARD AUTHORITY: PRWORA OF 1996, PL 104-193 | |
| 8. BUDGET PERIOD: 12/31/2018 THRU 12/30/2019 | 9. PROJECT PERIOD: 12/31/2018 THRU 12/30/2019 | 10. CFDA NO.: 93 434 - ESSA Preschool Development Grants Birth through Five | | |
| 11. RECIPIENT ORGANIZATION: State of Vermont | | | | |

STANDARD TERMS

1. Paid by DHHS Payment Management System (PMS), see attached for payment information.

This award is subject to the requirements of the HHS Grants Policy Statement (HHS GPS) that are applicable to you based on your recipient type and the purpose of this award.

The prior approval requirements waived by 45 CFR Part 75.308 (d) (4) are hereby reinstated and made applicable to this award. The grantee shall obtain all prior approvals set forth in 45 CFR Part 75.308 including those that apply to pre-award costs, project period extensions and carryover of unobligated balances to the next budget period.

This includes requirements in Parts I and II (available at <http://www.hhs.gov/grants/grants/policies-regulations/index.html>) of the HHS GPS. Although consistent with the HHS GPS, any applicable statutory or regulatory requirements, including 45 CFR Part 75, directly apply to this award apart from any coverage in the HHS GPS.

This award is subject to requirements or limitations in any applicable Appropriations Act.

This award is subject to the requirements of Section 106 (g) of the trafficking Victims

Protection Act of 2000, as amended (22 U.S.C. 7104). For the full text of the award term, go to <http://www.acf.hhs.gov/grants/discretionary-competitive-grants>

This award is subject to the Federal Financial Accountability and Transparency Act (FFATA or Transparency) of 2006 subaward and executive compensation reporting requirements.

For the full text of the award term, go to <http://www.acf.hhs.gov/grants/discretionary-competitive-grants>

This award is subject to requirements as set forth in 2 CFR 25.110 Central Contractor Registration (CCR) and DATA Universal Number System (DUNS). For full text go to <http://www.acf.hhs.gov/grants/discretionary-competitive-grants>

This award is subject to the requirements as set forth in 45 CFR Part 87.

This grant is subject to the requirements set forth in 45 CFR 1336.

This grant is subject to the requirements as set forth in 45 CFR Part 75.

Attached are terms and conditions, reporting requirements, and payment instructions.

Initial expenditure of funds by the grantee constitutes acceptance of this award.

Future support is anticipated.

AWARD CONDITIONS

1. Special Conditions

This award approves funding for your application/project at a lower amount than requested. Therefore, the Administration for Children & Families (ACF) will contact the grantee within 30 days

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES
NOTICE OF AWARD**

SAI NUMBER:

PMS DOCUMENT NUMBER:

| | | | | |
|--|---|---|--|-----------------------------|
| 1. AWARDING OFFICE: Office of Child Care | | 2. ASSISTANCE TYPE: Discretionary Grant | 3. AWARD NO.: 90TP0041-01-00 | 3a. AMEND. NO.: 0 |
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| 11. RECIPIENT ORGANIZATION: State of Vermont | | | | |

from date of this grant award to obtain the revised budgetary documents to support the reduced funding amount and to complete the review process. In the interim, all funds have been placed in the 'Other' cost category and are restricted from drawdown pending satisfactory completion of the process. Please note that the non-Federal share requirement of 30 percent was recalculated based on the reduced Federal amount -- see box 17 above; however, disregard the percentages which are not based on the Federal Award Amount.

CONTACTS

1. Questions concerning the programmatic aspects of the grant should be directed to Richard Gonzales via email to richard.gonzales@hhs.gov or call (202) 401-5138. Questions concerning the financial aspects of the grant should be directed to Roy Payne via email to roy.payne@acf.hhs.gov or call 202-401-4807.

Application for Federal Assistance SF-424

*** 1. Type of Submission:**

- ☐ Preapplication
☐ Application
☒ Changed/Corrected Application

*** 2. Type of Application:**

- ☐ New
☐ Continuation
☒ Revision

*** If Revision, select appropriate letter(s):**

B: Decrease Award

*** Other (Specify):**

*** 3. Date Received:**

01/31/2019

4. Applicant Identifier:

TP19000039

5a. Federal Entity Identifier:

5b. Federal Award Identifier:

90TP0041-01-00

State Use Only:

6. Date Received by State: 12/21/2018

7. State Application Identifier: TP19000039

8. APPLICANT INFORMATION:

*** a. Legal Name:** Vermont Agency of Human Services

*** b. Employer/Taxpayer Identification Number (EIN/TIN):**

036000264

*** c. Organizational DUNS:**

8093761550000

d. Address:

*** Street1:** 208 State Drive NOB 1 North

Street2:

*** City:** Waterbury

County/Parish:

*** State:** VT: Vermont

Province:

*** Country:** USA: UNITED STATES

*** Zip / Postal Code:** 05671-0001

e. Organizational Unit:

Department Name:

Dept for Children and Families

Division Name:

Child Development Division

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: *** First Name:** Reeva

Middle Name:

*** Last Name:** Murphy

Suffix:

Title: Deputy Commissioner

Organizational Affiliation:

Child Development Division

*** Telephone Number:** 802-241-0819

Fax Number:

*** Email:** reeva.murphy@vermont.gov

Application for Federal Assistance SF-424

*** 9. Type of Applicant 1: Select Applicant Type:**

A: State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*** Other (specify):**

*** 10. Name of Federal Agency:**

DHHS ACF

11. Catalog of Federal Domestic Assistance Number:

93.434

CFDA Title:

ESSA Preschool Development Grants Birth through Five

*** 12. Funding Opportunity Number:**

HHS-2018-ACF-OCC-TP-1379

*** Title:**

Preschool Development Grant Birth through Five (PDG B-5)

13. Competition Identification Number:

HHS-2018-ACF-OCC-TP-1379

Title:

Preschool Development Grant Birth through Five (PDG B-5)

14. Areas Affected by Project (Cities, Counties, States, etc.):

Add Attachment

Delete Attachment

View Attachment

*** 16. Descriptive Title of Applicant's Project:**

Vermont Birth through Five System Improvement Project

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

Application for Federal Assistance SF-424

16. Congressional Districts Of:

* a. Applicant

* b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:

* a. Start Date:

* b. End Date:

18. Estimated Funding (\$):

| | |
|---------------------|---|
| * a. Federal | <input type="text" value="3,353,695.00"/> |
| * b. Applicant | <input type="text" value="0.00"/> |
| * c. State | <input type="text" value="0.00"/> |
| * d. Local | <input type="text" value="0.00"/> |
| * e. Other | <input type="text" value="1,009,109.00"/> |
| * f. Program Income | <input type="text" value="0.00"/> |
| * g. TOTAL | <input type="text" value="4,362,804.00"/> |

19. Is Application Subject to Review By State Under Executive Order 12372 Process?

- ☐ a. This application was made available to the State under the Executive Order 12372 Process for review on
- ☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- ☒ c. Program is not covered by E.O. 12372.

20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)

☐ Yes ☒ No

If "Yes", provide explanation and attach

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: * First Name:

Middle Name:

* Last Name:

Suffix:

* Title:

* Telephone Number: Fax Number:

* Email:

* Signature of Authorized Representative:



* Date Signed:

BUDGET INFORMATION - Non-Construction Programs

OMB Number: 4040-0006
Expiration Date: 01/31/2019

SECTION A - BUDGET SUMMARY

| Grant Program Function or Activity (a) | Catalog of Federal Domestic Assistance Number (b) | Estimated Unobligated Funds | | New or Revised Budget | | |
|---|--|-----------------------------|--------------------|-----------------------|--------------------|-----------------|
| | | Federal (c) | Non-Federal (d) | Federal (e) | Non-Federal (f) | Total (g) |
| 1. Preschool Development Grant Birth-Five (PDG B-5) | 93.434 | \$ 3,363,695.00 | \$ 1,009,109.00 | \$ 3,363,695.00 | \$ 1,009,109.00 | \$ 4,372,804.00 |
| 2. | | | | | | |
| 3. | | | | | | |
| 4. | | | | | | |
| 5. Totals | | \$ 3,363,695.00 | \$ 1,009,109.00 | \$ 3,363,695.00 | \$ 1,009,109.00 | \$ 4,372,804.00 |

SECTION B - BUDGET CATEGORIES

| 6. Object Class Categories | GRANT PROGRAM, FUNCTION OR ACTIVITY | | | | Total (5) |
|--|--|-----------------|-----|-----|-----------------|
| | (1) | (2) | (3) | (4) | |
| | Freschool Development Grant Birth-Five (ZDO B-5) | | | | |
| a. Personnel | \$ 139,482.00 | \$ 406,856.00 | \$ | \$ | \$ 546,338.00 |
| b. Fringe Benefits | 73,925.00 | 135,619.00 | | | 209,544.00 |
| c. Travel | 3,176.00 | 25,000.00 | | | 28,176.00 |
| d. Equipment | 13,500.00 | | | | 13,500.00 |
| e. Supplies | 0.00 | | | | 0.00 |
| f. Contractual | 2,540,408.00 | 441,634.00 | | | 2,982,042.00 |
| g. Construction | 0.00 | | | | 0.00 |
| h. Other | 284,891.00 | | | | 284,891.00 |
| i. Total Direct Charges (sum of 6a-6h) | 3,055,382.00 | 1,009,109.00 | | | \$ 4,064,491.00 |
| j. Indirect Charges | 308,313.00 | | | | \$ 308,313.00 |
| k. TOTALS (sum of 6i and 6j) | \$ 3,363,695.00 | \$ 1,009,109.00 | \$ | \$ | \$ 4,372,804.00 |
| 7. Program Income | \$ | \$ | \$ | \$ | \$ |

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Standard Form 424A (Rev. 7-97)
Prescribed by OMB (Circular A -102) Page 1A

| SECTION C - NON-FEDERAL RESOURCES | | | | | |
|---|---------------|-----------------|-------------------|-----------------|--|
| (a) Grant Program | (b) Applicant | (c) State | (d) Other Sources | (e) TOTALS | |
| 8. Preschool Development Grant Birth-Five (PDG B-5) | \$ | \$ 1,009,109.00 | \$ | \$ 1,009,109.00 | |
| 9. | | | | | |
| 10. | | | | | |
| 11. | | | | | |
| 12. TOTAL (sum of lines 8-11) | \$ | \$ 1,009,109.00 | \$ | \$ 1,009,109.00 | |

| SECTION D - FORECASTED CASH NEEDS | | | | | |
|------------------------------------|--------------------|-----------------|-----------------|-----------------|-----------------|
| | Total for 1st Year | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| 13. Federal | \$ 3,363,695.00 | \$ 840,923.00 | \$ 840,923.00 | \$ 840,923.00 | \$ 840,926.00 |
| 14. Non-Federal | \$ 1,009,109.00 | \$ 252,277.00 | \$ 252,277.00 | \$ 252,277.00 | \$ 252,278.00 |
| 15. TOTAL (sum of lines 13 and 14) | \$ 4,372,804.00 | \$ 1,093,200.00 | \$ 1,093,200.00 | \$ 1,093,200.00 | \$ 1,093,204.00 |

| SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT | | | | | |
|---|--------------------------------|------------|-----------|------------|--|
| (a) Grant Program | FUTURE FUNDING PERIODS (YEARS) | | | | |
| | (b) First | (c) Second | (d) Third | (e) Fourth | |
| 16. Preschool Development Grant Birth-Five (PDG B-5) | \$ 3,363,695.00 | \$ | \$ | \$ | |
| 17. | | | | | |
| 18. | | | | | |
| 19. | | | | | |
| 20. TOTAL (sum of lines 16 - 19) | \$ 3,363,695.00 | \$ | \$ | \$ | |

| SECTION F - OTHER BUDGET INFORMATION | |
|--------------------------------------|-----------------------|
| 21. Direct Charges: | 22. Indirect Charges: |
| 23. Remarks: | |



November 2, 2018

Reeva Sullivan Murphy
Deputy Commissioner
Department for Children and Families
Child Development Division
NOB 1, 280 State Drive,
Waterbury, Vermont 05671-1040

Deputy Commissioner Murphy,

The Permanent Fund for Vermont's Children is strongly supportive of the State of Vermont's application for the Preschool Development Grant Birth through Five. This proposal is highly aligned with our mission of ensuring affordable access to high-quality child care for all of Vermont's families by 2025. The work proposed will provide a strategic, data-driven, and collaborative framework and lay the foundation for an effective, coordinated system that meets the needs of our state's young children and their families.

In 2019, The Permanent Fund commits to spending \$1.18M that aligns with the grant's purpose and can be used as matching funding for this federal grant. We will spend at least \$857,000 to increase the number of 0-5 child care spaces at the highest levels of quality within our Quality Rating and Improvement; this includes both expert technical assistance and competitively awarded grant funds. In addition, we will spend at least \$323,000 to support early childhood educators in increasing their skills and qualifications through a variety of workforce development efforts; this includes support for educators seeing alternative pathways to teacher licensure in early childhood education; coaching for project directors and their staff working within targeted communities; and the creation of additional resources that support birth to five educators. All of this work will be done in coordination and/or collaboration with the Child Development Division, Building Bright Futures and other partners in the proposal.

We are happy to answer questions and urge you to give strong consideration to Vermont's application.

Sincerely,

Janet McLaughlin
Chief Programs Officer
(Authorized organizational signer)

Ensuring every Vermont family has affordable access to high-quality child care by 2025.

19 Marble Avenue, Suite 4, Burlington, VT 05401 | (802) 391-4416 | info@permanentfund.org | permanentfund.org

| |
|---|
| Budget Narrative for Revisions in Vermont Birth through Five System Improvement Project |
| BUDGET LINE |
| a. Personnel (excluding salaries in-kind) |
| Retain 3 staff in Child Development Division for Project Management – reduced to 10 months |
| b. Fringe Benefits (excluding salaries in-kind) |
| Reflects salary reduction above |
| c. Travel |
| Travel for 2 staff to attend annual national meeting. No change |
| d. Equipment: No change |
| e. Supplies: No change |
| f. Contractual |
| Agency of Education: reduced personnel request to 10 months – will complete unduplicated count (Activity 1 planned for assessment. Reduced Higher Ed Consortium and Summer Institute by 50% (Activity 4) Retained travel funds |
| Vermont Department of Health: reduced personnel request to 11 months – will support all activities as planned 3) Retained travel funds |
| Building Bright Futures State Advisory Council: reduced entire grant amount to 71%. Will complete Needs Assessment and Strategic Plan (Activity 1) by September 1, 2019 (extended from July 2019). Will complete all other activities (Activities 3, 4 & 5) as planned using in-kind staff support. Retained travel funds |
| Department of Mental Health: Flourishing Communities (Activity 4) reduced by 30%. Will scale back community training. |

| |
|--|
| ECPDS Evaluation (Activity 1): reduced by 30%. Confident we can complete the assessment activity as planned |
| ADDED an assessment to Activity 1: Early Childhood System Investments – plan to work with a sub-contractor to identify all current federal and state investments in the B-5 Early Childhood System |
| Other Activity 4 reductions: Eliminated two projects (Business Improvement and Starting Points expansion) and Guiding Principles by 30%, Reduced Practice Improvement Hub to \$200,000. |
| Other Activity 5 reductions; The revised date for delivery of the Needs Assessment and the Updated Strategic Plan (1, 2019) Leaves less time to complete projects in Activity 5. We eliminated an expansion of the Program Improvement Hub and reduced Expanded Regional PD Opportunities (\$150,000) to reflect reduced time frame. |
| Evaluation: reduced evaluation budget to \$60,000 (approx. 50%). Scaled back evaluation deliverables. Contractor will evaluate selected projects in Activities 3 and 4 and work as a partner to develop evaluation related to updated Strategic Plan |
| g. Construction (not applicable) |
| h. Other (not applicable) |
| Reduced the CIS Data Project \$284,891 (Activity 5) to reflect reduced time frame |
| i. Total Direct Charges (does not include in-kind time of project personnel) |
| j. Indirect Charges: |
| k. Total Direct/Indirect |

| Revised Vermont Birth Through Five System Improvement Project Budget by Activity: Summary of Changes | | | |
|--|-----------------|----------------|---|
| | Original Budget | Revised Budget | Changes |
| Activity 1 | \$530,064 | \$581,922 | Moved delivery date for Needs Assessment to September, 2019. BBF State Council reduced in-kind staffing Added one more assessment and state investments in VT Early Childhood |

| | | | |
|-------------------|-------------|-----------|---|
| Activity 2 | \$200,478 | \$166,800 | Moved delivery date for Updated Strategic September, 2019 BBF State Council reduced overall budget re Updated Strategic Plan as planned on new tin staffing |
| Activity 3 | \$840,484 | \$756,281 | No change in strategies VT Dept of Health reduced Help Me Grow st will cover with in-kind. BBF will cover 29% and Communities Committee with in-kind sta |
| Activity 4 | \$1,353,908 | \$696,711 | Eliminated 2 strategies: improved business peer support networks (Starting Points) Reduced: ECL Practice Improvement Hub to Childhood Partnerships by 29%; Higher Ed C institute by 50%; Guiding Principles for Each 30%; and Flourishing Communities by 30% |
| Activity 5 | \$1,007,208 | \$563,585 | Reflecting the reduced time frame for these p Eliminated Expansion of the ECL Practice In Reduced CIS Data System, Vermont Insights Regional PD Opportunities |

Request for Classification Review Position Description Form A

For Department of Personnel Use Only

| | | |
|---|---------------------------|-----------------------------|
| Notice of Action # _____ | | Date Received (Stamp) _____ |
| Action Taken: _____ | | |
| New Job Title _____ | | |
| Current Class Code _____ | New Class Code _____ | |
| Current Pay Grade _____ | New Pay Grade _____ | |
| Current Mgt Level _____ B/U _____ OT Cat. _____ | EEO Cat. _____ FLSA _____ | |
| New Mgt Level _____ B/U _____ OT Cat. _____ | EEO Cat. _____ FLSA _____ | |
| Classification Analyst _____ | Date _____ | Effective Date: _____ |
| Comments: _____ | | Date Processed: _____ |
| Willis Rating/Components: _____ | Knowledge & Skills: _____ | Mental Demands: _____ |
| | Working Conditions: _____ | Accountability: _____ |
| | Total: _____ | |

Incumbent Information:

Employee Name: Employee Number:
Position Number: Current Job/Class Title:
Agency/Department/Unit: Work Station: Zip Code:
Supervisor's Name, Title, and Phone Number:
How should the notification to the employee be sent: ☐ employee's work location ☐ or ☐ other address, please provide mailing address:

New Position/Vacant Position Information:

New Position Authorization: PDG-5 Grant Award #90TP0041-01-00 Request Job/Class Title: Grant Program Manager PG 25
Position Type: ☐ Permanent or ☒ Limited / Funding Source: ☐ Core, ☐ Partnership, or ☐ Sponsored
Vacant Position Number: Current Job/Class Title:
Agency/Department/Unit: AHS/DCF/CDD Work Station: Waterbury Zip Code: 05676
Supervisor's Name, Title and Phone Number: Reeva Murphy, Deputy Commissioner CDD

Type of Request:

- ☒ **Management:** A management request to review the classification of an existing position, class, or create a new job class.
- ☐ **Employee:** An employee's request to review the classification of his/her current position.

1. Job Duties

This is the **most critical** part of the form. Describe the activities and duties required in your job, **noting changes (new duties, duties no longer required, etc.) since the last review**. Place them in order of importance, beginning with the single most important activity or responsibility required in your job. The importance of the duties and expected end results should be clear, including the tolerance that may be permitted for error. Describe each job duty or activity as follows:

- **What it is:** The nature of the activity.
- **How you do it:** The steps you go through to perform the activity. Be specific so the reader can understand the steps.
- **Why it is done:** What you are attempting to accomplish and the end result of the activity.

For example a Tax Examiner might respond as follows: **(What)** Audits tax returns and/or taxpayer records. **(How)** By developing investigation strategy; reviewing materials submitted; when appropriate interviewing people, other than the taxpayer, who have information about the taxpayer's business or residency. **(Why)** To determine actual tax liabilities.

Responsible for managing the day to day operational aspects of Vermont's PDG B-5 grant activities including oversight on behalf of the CDD/DCF to ensure that all grant activities are successfully carried out and all deliverables met.

Schedules, facilitates and keeps records of regular meetings of PDG B-5 Project Team and meets with project partners and sub-grantees regularly to support good communication across activities and strong inter-agency collaboration and to ensure project goals are advanced and coordinated.

Acts as primary contact with Federal Program Officer and federal Technical Assistance liaisons, by responding to phone calls and email and attending webinars and meetings and communicates appropriate information and resources to other Project Team members and sub-grantees in order to assure compliance with all federal expectations and access to federal resources for all Vermont Project participants.

Prepares and submits written reports of grantee activities to ensure that federal reporting expectations are met on time.

Monitors compliance with applicable federal, state and local laws and regulations by reviewing applicable guidance documents and communicating with all Project Team members and sub-grantees across all grant activities in order to assure compliance.

Oversees PDG B-5 grants, contracts and Memorandums of Understanding between CDD/DCF and Project partners and sub-grantees to ensure that there are clear and mutually understood expectations for activities and performance.

Tracks and reports activities, milestones and deliverables for all Project activities to ensure that federal deliverables and state Project goals are achieved on the anticipated timeline.

Ensures full participation of appropriate stakeholders in PDG B-5 Needs Assessment and Strategic Planning activities by overseeing Project partner work in those activities in order to assure strategic outcomes and goals of the Project are fully met.

Monitors Project budget and expenses to ensure expenditures stay within required budget parameters and that all federal resources are appropriately expended.

Ensures timely and accurate project reporting by project team members and vendor(s).

Conducts review of final program reports, interim and final audits, and other closeout data for all grant activities.

Provides technical assistance to all partners and sub-grantees in the conduct of all program activities.

Performs related duties as required.

2. Key Contacts

This question deals with the personal contacts and interactions that occur in this job. Provide brief typical examples indicating your primary contacts (**not** an exhaustive or all-inclusive list of contacts) other than those persons to whom you report or who report to you. If you work as part of a team, or if your primary contacts are with other agencies or groups outside State government describe those interactions, and what your role is. For example: you may *collaborate, monitor, guide, or facilitate change*.

Collaborates frequently with Project partners: Maternal Child Health Team in VT Department of Health (VDH), Early Childhood and Data Team at Vermont Agency of Education (AOE), and staff of Building Bright Futures State Advisory Council (BBF SAC).

Participates on the Early Childhood Interagency Collaboration Team that includes management staff from AHS, CDD, VDH, Department of Mental Health, Department of Commerce, AOE and the BBF SAC

Convenes and facilitates a Project Team of Project partners and other sub-grantees and stakeholders

Interacts with multiple public and private partners and stakeholders who serve in an advisory capacity for Project activities or who actively participate as subgrantees or vendors on Project activities..

Represents PDG B-5 and CDD/DCF internally in intra-agency and inter-agency meetings and in community outreach activities across the state through interacting with local community leaders and stakeholders.

3. Are there licensing, registration, or certification requirements; or special or unusual skills necessary to perform this job?

Include any special licenses, registrations, certifications, skills; (such as counseling, engineering, computer programming, graphic design, strategic planning, keyboarding) including skills with specific equipment, tools, technology, etc. (such as mainframe computers, power tools, trucks, road equipment, specific software packages). Be specific, if you must be able to drive a commercial vehicle, or must know Visual Basic, indicate so.

Previous experience managing grants and contracts as well as strong effective communication skills.

4. Do you supervise?

In this question "supervise" means if you direct the work of others where you are held **directly** responsible for assigning work; performance ratings; training; reward and discipline or effectively recommend such action; and other personnel matters. List the names, titles, and position numbers of the classified employees reporting to you:

This position will not supervise others.

5. In what way does your supervisor provide you with work assignments and review your work?

This question deals with how you are supervised. Explain how you receive work assignments, how priorities are determined, and how your work is reviewed. There are a wide variety of ways a job can be supervised, so there may not be just one answer to this question. For example, some aspects of your work may be reviewed on a regular basis and in others you may operate within general guidelines with much independence in determining how you accomplish tasks.

An orientation to the PDG B-5 project, activities, goals and deliverables by the Deputy Commissioner will establish expectations and scope of work for this position.

The Grant Manager is expected to establish priorities and perform job duties to achieve the goals and deliverables of the Project with a reasonable degree of independence and autonomy.

The Deputy Commissioner will monitor and review work as it is performed and check in regularly to provide support, guidance, and supervision as needed to assure that performance is satisfactory and expectations are met.

6. Mental Effort

This section addresses the mental demands associated with this job. Describe the most mentally challenging part of your job or the most difficult typical problems you are expected to solve. Be sure to give a specific response and describe the situation(s) by example.

- For example, a purchasing clerk might respond: *In pricing purchase orders, I frequently must find the cost of materials not listed in the pricing guides. This involves locating vendors or other sources of pricing information for a great variety of materials.*
- Or, a systems developer might say: *Understanding the ways in which a database or program will be used, and what the users must accomplish and then developing a system to meet their needs, often with limited time and resources.*

A significant degree of organization and autonomy is required in this position. Though supervision and direction is provided this individual will work independently to complete most job duties.

In working with a coalition of public and private partners, the individual in this position must plan strategically and interact effectively to maximize commitment to common goals to support collaboration and integration across diverse sectors in the early childhood system.

Understanding applicable state, federal and local regulations and norms and how they impact Project participants and activities.

Coordination of many simultaneous and co-occurring activities within a compressed time frame to ensure deliverables are met is key to this position.

Understanding how to connect Vermont project participants with national experts and resources to maximize the positive impact of this funding and technical assistance opportunity adds an additional layer of complexity to this position.

7. Accountability

This section evaluates the job's expected results. In weighing the importance of results, consideration should be given to responsibility for the safety and well-being of people, protection of confidential information and protection of resources.

What is needed here is information not already presented about the job's scope of responsibility. What is the job's most significant influence upon the organization, or in what way does the job contribute to the organization's mission?

Provide annualized dollar figures if it makes sense to do so, explaining what the amount(s) represent.

For example:

- A social worker might respond: *To promote permanence for children through coordination and delivery of services;*
- A financial officer might state: *Overseeing preparation and ongoing management of division budget: \$2M Operating/Personal Services, \$1.5M Federal Grants.*

Overseeing successful execution and completion of PDG B-5 activities to build upon the strengths and accomplishments of Vermont's collective work to realize the promise of every Vermont child by employing and strengthening cross-sector networks that support an innovative and connected early childhood system of services in Vermont for children birth - 5 and their families.

8. Working Conditions

The intent of this question is to describe any adverse conditions that are routine and expected in your job. It is not to identify special situations such as overcrowded conditions or understaffing.

- a) What significant mental stress are you exposed to? All jobs contain some amount of stress. If your job stands out as having a significant degree of mental or emotional pressure or tension associated with it, this should be described.

| Type | How Much of the Time? |
|------|-----------------------|
| N/A | |
| | |
| | |

- b) What hazards, special conditions or discomfort are you exposed to? (Clarification of terms: **hazards** include such things as potential accidents, illness, chronic health conditions or other harm. Typical examples might involve exposure to dangerous persons, including potentially violent customers and clients, fumes, toxic waste, contaminated materials, vehicle accident, disease, cuts, falls, etc.; and **discomfort** includes exposure to such things as cold, dirt, dust, rain or snow, heat, etc.)

| Type | How Much of the Time? |
|------|-----------------------|
| N/A | |
| | |
| | |

- c) What weights do you lift; how much do they weigh and how much time per day/week do you spend lifting?

| Type | How Heavy? | How Much of the Time? |
|-------|-------------|-----------------------|
| Boxes | 20 - 30 lbs | 5% |
| | | |

- d) What working positions (sitting, standing, bending, reaching) or types of effort (hiking, walking, driving) are required?

| Type | How Much of the Time? |
|--|-----------------------|
| Sitting/Standing at Desk and meetings | 85% |
| Driving to communities and partner sites | 15% |

Additional Information:

Carefully review your job description responses so far. If there is anything that you feel is important in understanding your job that you haven't clearly described, use this space for that purpose. Perhaps your job has some unique aspects or characteristics that weren't brought out by your answers to the previous questions. In this space, add any additional comments that you feel will add to a clear understanding of the requirements of your job.

Employee's Signature (required): vacant Date: _____

Supervisor's Section:

Carefully review this completed job description, but **do not** alter or eliminate any portion of the original response. Please answer the questions listed below.

1. What do you consider the most important duties of this job and why?

Ensuring the successful completion of the grant program's goals and deliverables is a major responsibility of this position. Providing timely and appropriate technical assistance and feedback to all parties involved in the grant program as well as to the position's supervisor and other CDD/DCF leadership is vital to this position's success. Monitoring compliance with budget parameters and timelines is critical given the limited term of the project. Effective and positive communication across all partners in the project to support strong and trusting partnership and collaboration across sectors is also important.

2. What do you consider the most important knowledge, skills, and abilities of an employee in this job (not necessarily the qualifications of the present employee) and why?

Grant and/or program management skills is very important for this position. Organization, attention to detail and good time management is necessary as is effective planning and follow-up and the ability to bring activities to completion on time and on budget. Knowledge of systems theory and systems development in order to successfully coordinate Project partners and activities to achieve specific Project goals is important. Strong interpersonal and communication skills to support collaboration and relationship building is vital. The ability to manage an array of co-occurring activities across diverse partners while keeping CDD/DCF leadership informed and on top of the progress of the project and federal guidance and direction is also critical.

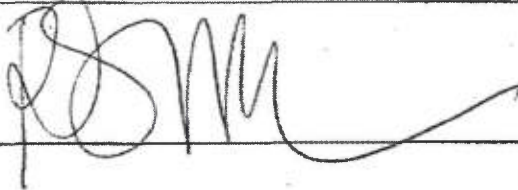
3. Comment on the accuracy and completeness of the responses by the employee. List below any missing items and/or differences where appropriate.

N/A

4. Suggested Title and/or Pay Grade:

Grant Programs Manager - PG 25 - Job Code: 496600

Supervisor's Signature (required):



Date:

3/11/19

Personnel Administrator's Section:

Please complete any missing information on the front page of this form before submitting it for review.

Are there other changes to this position, for example: Change of supervisor, GUC, work station?

☐ Yes ☐ No If yes, please provide detailed information.

Attachments:

- ☒ Organizational charts are **required** and must indicate where the position reports.
☐ Draft job specification is **required** for proposed new job classes.

Will this change affect other positions within the organization? If so, describe how, (for example, have duties been shifted within the unit requiring review of other positions; or are there other issues relevant to the classification review process).

Suggested Title and/or Pay Grade:

~~Contracts & Grants~~ Manager PG 25

job code: 496600

program

Personnel Administrator's Signature (required): Brian Cash

Date: 03/11/2019

Appointing Authority's Section:

Please review this completed job description but do not alter or eliminate any of the entries. Add any clarifying information and/or additional comments (if necessary) in the space below.

Suggested Title and/or Pay Grade:

as assigned

James A. Marchis

Appointing Authority or Authorized Representative Signature (required)

3.11.19

Date

Request for Classification Review Position Description Form A

For Department of Personnel Use Only

| | | |
|---|---------------------------|-----------------------------|
| Notice of Action # _____ | | Date Received (Stamp) _____ |
| Action Taken: _____ | | |
| New Job Title _____ | | |
| Current Class Code _____ | New Class Code _____ | |
| Current Pay Grade _____ | New Pay Grade _____ | |
| Current Mgt Level _____ B/U _____ OT Cat. _____ | EEO Cat. _____ FLSA _____ | |
| New Mgt Level _____ B/U _____ OT Cat. _____ | EEO Cat. _____ FLSA _____ | |
| Classification Analyst _____ | Date _____ | Effective Date: _____ |
| Comments: _____ | | Date Processed: _____ |
| Willis Rating/Components: _____ | Knowledge & Skills: _____ | Mental Demands: _____ |
| | Working Conditions: _____ | Accountability: _____ |
| | Total: _____ | |

Incumbent Information:

Employee Name: Employee Number:
Position Number: Current Job/Class Title:
Agency/Department/Unit: Work Station: Zip Code:
Supervisor's Name, Title, and Phone Number:
How should the notification to the employee be sent: ☐ employee's work location ☐ or ☐ other address, please provide mailing address:

New Position/Vacant Position Information:

New Position Authorization: PDG-5 Grant Award #90TP0041-01-00 Request Job/Class Title: Contracts & Grants Administrator *PG 24*
Position Type: ☐ Permanent or ☒ Limited / Funding Source: ☐ Core, ☐ Partnership, or ☐ Sponsored
Vacant Position Number: Current Job/Class Title:
Agency/Department/Unit: AHS/DCF/CDD Work Station: Waterbury Zip Code: 05676
Supervisor's Name, Title and Phone Number: Timothy Cutler, Director of Operations, CDD (802) 241-0806

Type of Request:

☒ **Management:** A management request to review the classification of an existing position, class, or create a new job class.

☐ **Employee:** An employee's request to review the classification of his/her current position.

1. Job Duties

This is the **most critical** part of the form. Describe the activities and duties required in your job, **noting changes (new duties, duties no longer required, etc.) since the last review**. Place them in order of importance, beginning with the single most important activity or responsibility required in your job. The importance of the duties and expected end results should be clear, including the tolerance that may be permitted for error. Describe each job duty or activity as follows:

- **What it is:** The nature of the activity.
- **How you do it:** The steps you go through to perform the activity. Be specific so the reader can understand the steps.
- **Why it is done:** What you are attempting to accomplish and the end result of the activity.

For example a Tax Examiner might respond as follows: **(What)** Audits tax returns and/or taxpayer records. **(How)** By developing investigation strategy; reviewing materials submitted; when appropriate interviewing people, other than the taxpayer, who have information about the taxpayer's business or residency. **(Why)** To determine actual tax liabilities.

Drafts and processes contract and grant agreements - initial documents and any amendments - in order to assure that all agreements are written and processed in compliance with state and federal procurement rules and that appropriate documentation is maintained.

Manages competitive procurement activities for PDG B-5 activities to ensure that all state and federal procurement rules and processes are followed.

Regularly manages grant and contract tracking system for all PDG B-5 agreements including tracking receipt of reports and invoices and ensuring that these documents are properly reviewed and approved by assigned program managers in order to assure that all appropriate processes are followed in the use of federal grant funds.

Manages processing of PDG B-5 sub-grantee and vendor invoices through the payment process in order to ensure that payments are timely and accurate.

Provides guidance and training to program staff on procurement procedures for standard bidding, simplified bidding, small purchases, and sole source contracting in order to assure compliance with state and federal rules and processes.

Provides contract and grant administrative and technical support to CDD staff, PDG B-5 partners, sub-grantees, contractors and consultants in order to ensure that all participants understand responsibilities relative to accountability.

Represents CDD at trainings and meetings regarding grants and contracts and prepares oral and written presentations, reports, and multimedia presentations as needed to ensure that CDD is following the most current state and federal guidance on procurement, monitoring and grant management processes.

Provides recommendations, input and feedback on policy and procedures relative to grants, contracts and agreements and implements any changes that result in order to assure quality improvement and the most efficient and effective processes for managing grant and contract agreements of all types.

Reviews and comments on scopes of work, deliverables and payment schedules for services or products and participates in the resolution of language disputes for grant agreements and personal service contracts in order to assure that these are all in accord

with Division, Department, and Agency priorities and processes.

Responds to requests for proposal documents, personal service contracts and other records and documents as appropriate in order to assure that CDD is responsive to such requests.

Supports documentation of funds identified as matching funds for PDG B-5 to ensure that required match is dedicated, expended, tracked and reported appropriately.

Prepares federal reporting documents regarding expenditures of PDG B-5 funds.

Participates in the vendor selection process, which may include short-listing, review and analysis of technical proposal, and clarification of submitted documents in order to assure that appropriate procedures are followed and the best vendor selected.

2. Key Contacts

This question deals with the personal contacts and interactions that occur in this job. Provide brief typical examples indicating your primary contacts (**not** an exhaustive or all-inclusive list of contacts) other than those persons to whom you report or who report to you. If you work as part of a team, or if your primary contacts are with other agencies or groups outside State government describe those interactions, and what your role is. For example: you may *collaborate, monitor, guide, or facilitate change*.

Confers regularly with the State's Risk Management Division related to modifications of standard State documentation.

Confers with the Attorney General's Office on contract language development.

Confers with CDD staff and leadership and PDG B-5 partners and other department and agency staff as appropriate on programmatic goals and alignment with accountable grants and contract management and monitoring

Interacts with the department business office staff at all levels on matters related to the development, implementation and management of grants and contracts.

Confers with contractors and sub-grantees on documentation needs and payment questions regularly.

3. Are there licensing, registration, or certification requirements; or special or unusual skills necessary to perform this job?

Include any special licenses, registrations, certifications, skills; (such as counseling, engineering, computer programming, graphic design, strategic planning, keyboarding) including skills with specific equipment, tools, technology, etc. (such as mainframe computers, power tools, trucks, road equipment, specific software packages). Be specific, if you must be able to drive a commercial vehicle, or must know Visual Basic, indicate so.

The ability to perform basic math and accounting skills

Intermediate proficiency with MS Excel

4. Do you supervise?

In this question "supervise" means if you direct the work of others where you are held **directly** responsible for assigning work; performance ratings; training; reward and discipline or effectively recommend such action; and

other personnel matters. List the names, titles, and position numbers of the classified employees reporting to you:

This position will not supervise others.

5. In what way does your supervisor provide you with work assignments and review your work?

This question deals with how you are supervised. Explain how you receive work assignments, how priorities are determined, and how your work is reviewed. There are a wide variety of ways a job can be supervised, so there may not be just one answer to this question. For example, some aspects of your work may be reviewed on a regular basis and in others you may operate within general guidelines with much independence in determining how you accomplish tasks.

Work assignments will be provided via the employee's direct supervisor, the PDG B-5 Grant Manager or CDD leadership. Supervisor will monitor work assignments and review work for satisfactory performance and timely completion on a regular basis via scheduled check-ins.

6. Mental Effort

This section addresses the mental demands associated with this job. Describe the most mentally challenging part of your job or the most difficult typical problems you are expected to solve. Be sure to give a specific response and describe the situation(s) by example.

- For example, a purchasing clerk might respond: *In pricing purchase orders, I frequently must find the cost of materials not listed in the pricing guides. This involves locating vendors or other sources of pricing information for a great variety of materials.*
- Or, a systems developer might say: *Understanding the ways in which a database or program will be used, and what the users must accomplish and then developing a system to meet their needs, often with limited time and resources.*

Must be able to multi-task and perform moderately complex analysis of financial information and data to support CDD budgeting and program performance reviews.

This position is responsible for providing ongoing suggestions for improvements to systems that increase the financial accountability of grantees and contractors and ensure compliance with Federal Uniform Guidance and specific state procurement guidelines.

7. Accountability

This section evaluates the job's expected results. In weighing the importance of results, consideration should be given to responsibility for the safety and well-being of people, protection of confidential information and protection of resources.

What is needed here is information not already presented about the job's scope of responsibility. What is the job's most significant influence upon the organization, or in what way does the job contribute to the organization's mission?

Provide annualized dollar figures if it makes sense to do so, explaining what the amount(s) represent.

For example:

- A social worker might respond: *To promote permanence for children through coordination and delivery of services;*
- A financial officer might state: *Overseeing preparation and ongoing management of division budget: \$2M Operating/Personal Services, \$1.5M Federal Grants.*

Responsible procurement processes, financial management, documentation, and reporting of \$3.4 million in federal PDG B-5 funds ensuring compliance with Division, Department, Agency, state and federal regulations and processes.

8. Working Conditions

The intent of this question is to describe any adverse conditions that are routine and expected in your job. It is not to identify special situations such as overcrowded conditions or understaffing.

- a) What significant mental stress are you exposed to? All jobs contain some amount of stress. If your job stands out as having a significant degree of mental or emotional pressure or tension associated with it, this should be described.

| Type | How Much of the Time? |
|------|-----------------------|
| N/A | |
| | |
| | |

- b) What hazards, special conditions or discomfort are you exposed to? (Clarification of terms: **hazards** include such things as potential accidents, illness, chronic health conditions or other harm. Typical examples might involve exposure to dangerous persons, including potentially violent customers and clients, fumes, toxic waste, contaminated materials, vehicle accident, disease, cuts, falls, etc.; and **discomfort** includes exposure to such things as cold, dirt, dust, rain or snow, heat, etc.)

| Type | How Much of the Time? |
|------|-----------------------|
| N/A | |
| | |
| | |

- c) What weights do you lift; how much do they weigh and how much time per day/week do you spend lifting?

| Type | How Heavy? | How Much of the Time? |
|-------|-------------|-----------------------|
| Boxes | 20 - 30 lbs | 5% |
| | | |

- d) What working positions (sitting, standing, bending, reaching) or types of effort (hiking, walking, driving) are required?

| Type | How Much of the Time? |
|--------------------------|-----------------------|
| Standing/Sitting at Desk | 100% |
| | |

Additional Information:

Carefully review your job description responses so far. If there is anything that you feel is important in understanding your job that you haven't clearly described, use this space for that purpose. Perhaps your job has some unique aspects or characteristics that weren't brought out by your answers to the previous

questions. In this space, add any additional comments that you feel will add to a clear understanding of the requirements of your job.

Employee's Signature (required): vacant Date: _____

Supervisor's Section:

Carefully review this completed job description, but **do not** alter or eliminate any portion of the original response. Please answer the questions listed below.

1. What do you consider the most important duties of this job and why?

Oversight and financial management of PDG B-5 federal funds and matching requirement. Development of and ongoing management of all grants, contracts, and other financial arrangements related to the PDG B-5 project. Ensuring that all procurement, granting, contracting, payments and monitoring are conducted in accord with Division, Department, Agency, state and federal guidance and regulation. Collaboration with CDD staff and PDG B-5 partners, sub-grantees, and vendors on processing of agreements and related documents such as invoices and reports. Timely financial reporting in accord with federal requirements related to Vermont's PDG B-5 grant award.

2. What do you consider the most important knowledge, skills, and abilities of an employee in this job (not necessarily the qualifications of the present employee) and why?

Knowledge of grant and contract development and management procedures. Knowledge of Division, Department, Agency, state and federal procurement and payment guidelines. Strong customer service, communication and organizational skills. Attention to detail and effective planning and follow-up skills.

3. Comment on the accuracy and completeness of the responses by the employee. List below any missing items and/or differences where appropriate.

N/A

4. Suggested Title and/or Pay Grade:

Contracts and Grants Administrator- PG24 - Job Code: 550200

Supervisor's Signature (required):

Timothy E. Miller

Date: 3/11/19

Personnel Administrator's Section:

Please complete any missing information on the front page of this form before submitting it for review.

Are there other changes to this position, for example: Change of supervisor, GUC, work station?

☐ Yes ☐ No If yes, please provide detailed information.

Attachments:

☒ Organizational charts are **required** and must indicate where the position reports.

☐ Draft job specification is required for proposed new job classes.

Will this change affect other positions within the organization? If so, describe how, (for example, have duties been shifted within the unit requiring review of other positions; or are there other issues relevant to the classification review process).

Suggested Title and/or Pay Grade:

Contracts & Grants Administrator PG 24

Personnel Administrator's Signature (required): Brian Cash Date: 03/11/2019

Appointing Authority's Section:

Please review this completed job description but do not alter or eliminate any of the entries. Add any clarifying information and/or additional comments (if necessary) in the space below.

Suggested Title and/or Pay Grade:

as assigned

Gunn A. Margolis
Appointing Authority or Authorized Representative Signature (required)

3.11.19
Date

Request for Classification Review Position Description Form A

For Department of Personnel Use Only

| | | |
|---|---------------------------|-----------------------------|
| Notice of Action # _____ | | Date Received (Stamp) _____ |
| Action Taken: _____ | | |
| New Job Title _____ | | |
| Current Class Code _____ | New Class Code _____ | |
| Current Pay Grade _____ | New Pay Grade _____ | |
| Current Mgt Level _____ B/U _____ OT Cat. _____ EEO Cat. _____ FLSA _____ | | |
| New Mgt Level _____ B/U _____ OT Cat. _____ EEO Cat. _____ FLSA _____ | | |
| Classification Analyst _____ | Date _____ | Effective Date: _____ |
| Comments: _____ | | Date Processed: _____ |
| Willis Rating/Components: _____ | Knowledge & Skills: _____ | Mental Demands: _____ |
| | Working Conditions: _____ | Accountability: _____ |
| | Total: _____ | |

Incumbent Information:

Employee Name: Employee Number:

Position Number: Current Job/Class Title:

Agency/Department/Unit: Work Station: Zip Code:

Supervisor's Name, Title, and Phone Number:

How should the notification to the employee be sent: ☐ employee's work location ☐ or ☐ other address, please provide mailing address:

New Position/Vacant Position Information:

New Position Authorization: Request Job/Class Title:

Position Type: ☐ Permanent or ☒ Limited / Funding Source: ☐ Core, ☐ Partnership, or ☐ Sponsored

Vacant Position Number: Current Job/Class Title:

Agency/Department/Unit: Work Station: Zip Code:

Supervisor's Name, Title and Phone Number:

Type of Request:

☒ **Management:** A management request to review the classification of an existing position, class, or create a new job class.

☐ **Employee:** An employee's request to review the classification of his/her current position.

1. Job Duties

This is the **most critical** part of the form. Describe the activities and duties required in your job, **noting changes (new duties, duties no longer required, etc.) since the last review**. Place them in order of importance, beginning with the single most important activity or responsibility required in your job. The importance of the duties and expected end results should be clear, including the tolerance that may be permitted for error. Describe each job duty or activity as follows:

- **What it is:** The nature of the activity.
- **How you do it:** The steps you go through to perform the activity. Be specific so the reader can understand the steps.
- **Why it is done:** What you are attempting to accomplish and the end result of the activity.

For example a Tax Examiner might respond as follows: **(What)** Audits tax returns and/or taxpayer records. **(How)** By developing investigation strategy; reviewing materials submitted; when appropriate interviewing people, other than the taxpayer, who have information about the taxpayer's business or residency. **(Why)** To determine actual tax liabilities.

Assists CDD in communication, community relations and information activities, particularly as related to activities related to PDG B-5 grant in order to assure that internal and external partners, stakeholders and the general public have access to accurate and timely information.

Manages CDD website information and social media sites under the direction of the CDD Data and Outreach Coordinator. Website activities performed include: informational updates, review and edit requests from internal staff and PDG B-5 partners for information to be shared on the division's website and social media sites, so that language and presentation on the website and social media sites is effective and appropriate.

Maintains updates to the website and monitors the website for broken links and out of date information so that information provided is timely and accurate.

Uses design software and consults with PDG B-5 partners and CDD staff to update and create forms and publications for use with early childhood system participants and the general public to ensure that PDG B-5 and CDD forms and materials are appropriate and effective for intended use and end users.

Provides communication support and other supports to PDG B-5 and CDD staff in order to advance effective change management processes related to changes in policy, practice and/or regulations in the early childhood system.

Assists CDD in data analysis by compiling, organizing, and analyzing Division data under the direction of the CDD Data and Outreach Coordinator, especially as related to the PDG B-5 required Needs Assessment activities in order to inform data driven decision making in early childhood policy and practice.

Drafts and edits communication, presentations, and documentation to be shared with CDD and other state staff, PDG B-5 partners and other participants and stakeholders in the early childhood system, as well as with leadership, legislators, and the general public in order to provide accessible and accurate information on CDD and PDG B-5 programs and activities.

May serve as an information resource for the general public, members of external organizations, policymakers, and others either directly or by routing inquiries to the correct individual so that CDD is timely and responsive to inquiries about programs, services and activities.

May represent CDD/PDG B-5 at trainings and meetings regarding communication and data.

2. Key Contacts

This question deals with the personal contacts and interactions that occur in this job. Provide brief typical examples indicating your primary contacts (**not** an exhaustive or all-inclusive list of contacts) other than those persons to whom you report or who report to you. If you work as part of a team, or if your primary contacts are with other agencies or groups outside State government describe those interactions, and what your role is. For example: you may *collaborate, monitor, guide, or facilitate change*.

Confers with CDD staff and leadership and PDG B-5 partners on plans and performance related to communication efforts and initiatives.

Interacts with CDD and other state agency staff and PDG B-5 partners on matters related to the development of CDD communications and outreach materials under the direction of the CDD Data & Outreach Coordinator

Confers with PDG B-5 partners, vendors and sub-grantees as well as other external contractors and community partners on documentation needs and data support requests and, under the guidance of the CDD Data & Outreach Coordinator, provides support and information to these individuals.

3. Are there licensing, registration, or certification requirements; or special or unusual skills necessary to perform this job?

Include any special licenses, registrations, certifications, skills; (such as counseling, engineering, computer programming, graphic design, strategic planning, keyboarding) including skills with specific equipment, tools, technology, etc. (such as mainframe computers, power tools, trucks, road equipment, specific software packages). Be specific, if you must be able to drive a commercial vehicle, or must know Visual Basic, indicate so.

Working knowledge of Adobe Creative Cloud, including InDesign and Photoshop

Working knowledge of Excel, including use of pivot tables

Knowledge of data analysis fundamentals

Ability to creatively and effectively write, edit and design reports and other publications

Knowledge of basic principles of effective design

4. Do you supervise?

In this question "supervise" means if you direct the work of others where you are held **directly** responsible for assigning work; performance ratings; training; reward and discipline or effectively recommend such action; and other personnel matters. List the names, titles, and position numbers of the classified employees reporting to you:

This position will not supervise others.

5. In what way does your supervisor provide you with work assignments and review your work?

This question deals with how you are supervised. Explain how you receive work assignments, how priorities are determined, and how your work is reviewed. There are a wide variety of ways a job can be supervised, so

there may not be just one answer to this question. For example, some aspects of your work may be reviewed on a regular basis and in others you may operate within general guidelines with much independence in determining how you accomplish tasks.

Primary work assignments will be provided or approved by the employee's direct supervisor, the PDG B-5 Grant Manager or CDD leadership. Supervisor will monitor work assignments and review work for satisfactory completion and performance on a regular basis via scheduled check-ins..

6. Mental Effort

This section addresses the mental demands associated with this job. Describe the most mentally challenging part of your job or the most difficult typical problems you are expected to solve. Be sure to give a specific response and describe the situation(s) by example.

- For example, a purchasing clerk might respond: *In pricing purchase orders, I frequently must find the cost of materials not listed in the pricing guides. This involves locating vendors or other sources of pricing information for a great variety of materials.*
- Or, a systems developer might say: *Understanding the ways in which a database or program will be used, and what the users must accomplish and then developing a system to meet their needs, often with limited time and resources.*

A significant degree of self-motivation and autonomy is required in this position. Though supervision and direction is provided this individual will work independently to complete most tasks assigned.

Developing positive collegial relationships and working respectfully with diverse partners and stakeholders both internal and external is necessary.

Understanding and performing moderately difficult Excel activities on a regular basis to attain and manage the data required for multiple reports.

7. Accountability

This section evaluates the job's expected results. In weighing the importance of results, consideration should be given to responsibility for the safety and well-being of people, protection of confidential information and protection of resources.

What is needed here is information not already presented about the job's scope of responsibility. What is the job's most significant influence upon the organization, or in what way does the job contribute to the organization's mission?

Provide annualized dollar figures if it makes sense to do so, explaining what the amount(s) represent.

For example:

- A social worker might respond: *To promote permanence for children through coordination and delivery of services;*
- A financial officer might state: *Overseeing preparation and ongoing management of division budget: \$2M Operating/Personal Services, \$1.5M Federal Grants.*

To develop and coordinate the flow of data and information, in accord with established timeframes and parameters, so that all participants and stakeholders concerned or engaged with the early childhood system in Vermont have accurate, sufficient, and timely information about programs, services and activities.

8. Working Conditions

The intent of this question is to describe any adverse conditions that are routine and expected in your job. It is not to identify special situations such as overcrowded conditions or understaffing.

- a) What significant mental stress are you exposed to? All jobs contain some amount of stress. If your job stands out as having a significant degree of mental or emotional pressure or tension associated with it, this should be described.

| Type | How Much of the Time? |
|------|-----------------------|
| N/A | |
| | |
| | |

- b) What hazards, special conditions or discomfort are you exposed to? (Clarification of terms: **hazards** include such things as potential accidents, illness, chronic health conditions or other harm. Typical examples might involve exposure to dangerous persons, including potentially violent customers and clients, fumes, toxic waste, contaminated materials, vehicle accident, disease, cuts, falls, etc.; and **discomfort** includes exposure to such things as cold, dirt, dust, rain or snow, heat, etc.)

| Type | How Much of the Time? |
|------|-----------------------|
| N/A | |
| | |
| | |

- c) What weights do you lift; how much do they weigh and how much time per day/week do you spend lifting?

| Type | How Heavy? | How Much of the Time? |
|-------|-------------|-----------------------|
| Boxes | 20 - 30 lbs | 5% |
| | | |

- d) What working positions (sitting, standing, bending, reaching) or types of effort (hiking, walking, driving) are required?

| Type | How Much of the Time? |
|--------------------------|-----------------------|
| Sitting/Standing at Desk | 100% |
| | |

Additional Information:

Carefully review your job description responses so far. If there is anything that you feel is important in understanding your job that you haven't clearly described, use this space for that purpose. Perhaps your job has some unique aspects or characteristics that weren't brought out by your answers to the previous questions. In this space, add any additional comments that you feel will add to a clear understanding of the requirements of your job.

| |
|--|
| |
|--|

Employee's Signature (required): vacant Date: _____

Supervisor's Section:

Carefully review this completed job description, but **do not** alter or eliminate any portion of the original response. Please answer the questions listed below.

1. What do you consider the most important duties of this job and why?

The development of and ongoing management of the data and communication needs of the Child Development Division especially as related to the PDG B-5 grant program. This includes; coordinating the gathering and dissemination of necessary information, collaborating with CDD staff and PDG B-5 partners on the development of reports and updates to CDD's website and social media, and the extraction and formatting of data for assessment and reporting purposes.

2. What do you consider the most important knowledge, skills, and abilities of an employee in this job (not necessarily the qualifications of the present employee) and why?

A strong understanding of proper grammar and punctuation as well as formatting techniques that maximize the ability of an intended audience to understand the information they have been provided. The ability to interpret data that is collected to provide CDD leadership with insight on trends or variances that may be occurring. Strong customer service, communication and organizational skills. Attention to detail and effective planning and follow-up skills.

3. Comment on the accuracy and completeness of the responses by the employee. List below any missing items and/or differences where appropriate.

N/A

4. Suggested Title and/or Pay Grade:

Communications and Outreach Coordinator PG - 22 - Job Code: 857200

Supervisor's Signature (required): Heather J. Mathison Date: 3/11/2019

Personnel Administrator's Section:

Please complete any missing information on the front page of this form before submitting it for review.

Are there other changes to this position, for example: Change of supervisor, GUC, work station?

☐ Yes ☐ No If yes, please provide detailed information.

Attachments:

- ☒ Organizational charts are **required** and must indicate where the position reports.
☐ Draft job specification is **required** for proposed new job classes.

Will this change affect other positions within the organization? If so, describe how, (for example, have duties been shifted within the unit requiring review of other positions; or are there other issues relevant to the classification review process).

N/A

Suggested Title and/or Pay Grade:

Community and Outreach Coordinator PG 22

Communications

Personnel Administrator's Signature (required): Brian Cash Date: 03/11/2019

Appointing Authority's Section:

Please review this completed job description but **do not alter** or **eliminate** any of the entries. Add any clarifying information and/or additional comments (if necessary) in the space below.

Suggested Title and/or Pay Grade:

as assigned

Robert A. Margolis
Appointing Authority or Authorized Representative Signature (required)

3.11.19
Date

[illegible]

Temp: 50V & Specimen

Daniel Dickerson

From: Rex, Judith <Judith.Rex@vermont.gov>
Sent: Tuesday, August 20, 2019 3:34 PM
To: Daniel Dickerson; Gilhuly, Christine; DiRuocco, Luciana
Cc: Donahey, Richard; Elmquist, Candace; Johnson, Jaye; Clark, Sarah; O'Connell, Tracy E; Schatz, Ken; Murphy, Reeve; Evans, Brian; Truckle, Sarah; Sorsha Anderson; Stephen Klein
Subject: RE: Grant Expedition Request: PDG B-5

Hi Daniel,
I have responded to your requests and questions below in red.

I assume F&M can amend the AA-1 and their cover memo to show that no grant funds will be expended in FY 19 and can get the necessary signatures for the limited-service position request forms.

I have included an explanation of the delay in signatures. If you still need me to update the Commissioner's memo requesting the expedited review, please let me know.

Also, I provided answers to your questions, but if you need additional information, please let me know.
Thanks,
Judy

Judith Rex
Director of Policy and Planning
DCF Commissioner's Office
280 State Drive, HC 1 North
Waterbury, VT 05671-1080
Cell Phone: 802-398-7870
Office Phone: 802-241-0953

From: Daniel Dickerson <ddickerson@leg.state.vt.us>
Sent: Monday, August 19, 2019 5:00 PM
To: Gilhuly, Christine <Christine.Gilhuly@vermont.gov>; DiRuocco, Luciana <Luciana.DiRuocco@vermont.gov>
Cc: Donahey, Richard <Richard.Donahey@vermont.gov>; Elmquist, Candace <Candace.Elmquist@vermont.gov>; Johnson, Jaye <Jaye.Johnson@vermont.gov>; Clark, Sarah <Sarah.Clark@vermont.gov>; O'Connell, Tracy E <Tracy.OConnell@vermont.gov>; Schatz, Ken <Ken.Schatz@vermont.gov>; Murphy, Reeve <Reeve.Murphy@vermont.gov>; Evans, Brian <Brian.Evans@vermont.gov>; Rex, Judith <Judith.Rex@vermont.gov>; Truckle, Sarah <Sarah.Truckle@vermont.gov>; Sorsha Anderson <SAnderson@leg.state.vt.us>; Klein, Stephen <sklein@leg.state.vt.us>
Subject: RE: Grant Expedition Request: PDG B-5

Hello all,

I have a few requests/questions stemming from my initial review of this grant packet. A quick response would be extremely helpful in keeping this expedited review request moving.

Requests:

1. The AA-1 and F&M cover memo both should be amended to show that no grant funds will be expended in FY19
No grant funds were expended in FY 19. All grant funds should be allocated to FY 20.

2. The limited-service position request form is missing two signatures. Can those signatures be added and sent back to me?
The two signatures missing are Finance and Management and Secretary of Administration.
3. It would be helpful if the Commissioner's memo requesting expedited review provided an explanation for where the AA-1 was between when it received its first signature (4/8/19) and when it received its next signature (7/26/19). The limited-service position form was first signed on 3/11/19 and not subsequently signed until 7/5/19 (and is missing two signatures as noted above).
The DCF Commissioner signed the AA-1 on 4/8/19 and sent it for review by the AHS Secretary's office. During this same time period, AHS had identified some concerns with the DCF/CDD grants and contracts procedures. A review of CDD procedures was conducted that resulted in a report with recommendations to revise CDD internal grant/contract procedures. AHS/DCF/CDD then put into place a Corrective Action Plan (CAP) to implement the report's recommendations. Once the CAP was in place, AHS moved forward on the PDG grant approval packet which resulted in a 3-month delay.

Questions:

1. Assuming that JFC agrees to the expedited review and the grant funding/positions are approved by the end of the month, can this work be accomplished in 4 months? (or 6 months if HHS formally agreed to extend the grant period through the end of February). Can a revised timeline for all of the grant activities be created and sent to accompany these grant materials?
In a phone call with Richard Gonzales, (Director of the Division of Interagency and Special Initiatives) on 7/19/19, he informed CDD that we can request a no-cost extension for up to 1 year (12/31/2020) in September of 2019. No-cost extensions can only be applied for 90 days prior to the grant end date. We plan to ask for an extension through 6/30/2020. This will give us 10 months to complete the grant activities which we feel is doable.

Revised workplan and timeline:

| Grant Activity | Start Date | Completion Date |
|--|------------|-----------------|
| Conduct Needs Assessment | 9/1/19 | 2/1/20 |
| Create Strategic Plan | 9/1/19 | 3/1/20 |
| Maximizing Parental Knowledge and Choice | 10/1/19 | 6/30/20 |
| Sharing Best Practices | 10/1/19 | 6/30/20 |
| Improving Overall Quality | 3/1/20 | 6/30/20 |

2. Did HHS formally agree to extend the grant period through February 2020? If so, can documentation be sent indicating the extension?
HHS cannot "officially" grant the extension until September of 2019 (90 days prior to the grant end date). This is a federal requirement of the grants management system. There is e-mail correspondence between Richard Gonzales and Reeva Murphy referencing the feds intent to extend the grant through February 2020.
3. In the Commissioner's memo, he indicated that hiring and procurement would take 60-90 days. Does DCF/AHS believe that it can find individuals willing to take a job for 4-6 months? Most limited-service position requests cover at least a year.
Given the plan to ask for a no-cost extension through 6/30/20, we feel we can fill the limited service positions. The PDG grant program has also announced funding for years 2 - 4 grant activities. The FOA is coming out in September of 2019. We believe this future funding opportunity will assist with the recruitment.
4. Was any of this grant funding built into DCF's FY20 budget request? No

Thank you.

Daniel Dickerson

Fiscal Analyst / Business Manager

Vermont Legislative Joint Fiscal Office

One Baldwin Street | Montpelier, VT 05633-5701

802.828.2472

From: Gilhuly, Christine [<mailto:Christine.Gilhuly@vermont.gov>]

Sent: Monday, August 19, 2019 9:34 AM

To: DiRuocco, Luciana

Cc: Donahey, Richard; Elmquist, Candace; Johnson, Jaye; Clark, Sarah; O'Connell, Tracy E; Schatz, Ken; Murphy, Reeva; Evans, Brian; Rex, Judith; Truckle, Sarah; Daniel Dickerson; Sorsha Anderson

Subject: RE: Grant Expedition Request: PDG B-5

Good morning Luciana,

Attached please find the approved grant request for your records. Please note the original, with all supporting documents is on route to the JFO via pink mail.

Thank you,

Chrissy Gilhuly

State of Vermont | Office of the Commissioner, Department of Finance and Management

109 State Street, 5th Floor | Montpelier, VT 05609

christine.gilhuly@vermont.gov

ph: (802) 828-2376

From: Gilhuly, Christine

Sent: Wednesday, July 10, 2019 10:37 AM

To: DiRuocco, Luciana <Luciana.DiRuocco@vermont.gov>

Cc: Rich Donahey (Richard.Donahey@vermont.gov) <Richard.Donahey@vermont.gov>; Elmquist, Candace <Candace.Elmquist@vermont.gov>

Subject: RE: Grant Expedition Request: PDG B-5

Good morning,

Thank you for sending!

Candace is on vacation this week and I want to be sure I process correctly. Has this memo already been sent to the JFO (I don't see anyone from the JFO cc'd) OR would you like our office review and then forward?

Thank you for the clarification and all the best,

Chrissy Gilhuly

Department of Finance and Management

christine.gilhuly@vermont.gov

ph: (802) 828-2376

From: DiRuocco, Luciana <Luciana.DiRuocco@vermont.gov>

Sent: Wednesday, July 10, 2019 10:17 AM

To: Elmquist, Candace <Candace.Elmquist@vermont.gov>; Gilhuly, Christine <Christine.Gilhuly@vermont.gov>

Cc: Schatz, Ken <Ken.Schatz@vermont.gov>; Clark, Sarah <Sarah.Clark@vermont.gov>; Truckle, Sarah

<Sarah.Truckle@vermont.gov>; Evans, Brian <Brian.Evans@vermont.gov>; Murphy, Reeva

<Reeva.Murphy@vermont.gov>; Rex, Judith <Judith.Rex@vermont.gov>; O'Connell, Tracy E

<Tracy.OConnell@vermont.gov>

Subject: Grant Expedition Request: PDG B-5

Please see the attached memo from DCF Commissioner Ken Schatz, to the Joint Fiscal Office through Finance and Management. Please contact Sarah Truckle with any questions.

Thank you,

Luciana DiRuocco

Executive Staff Assistant, Public Information Officer

Agency of Human Services | Dept. for Children and Families

Address: 280 State Drive, HC 1 North, Waterbury, VT 05671-1080

phone: 802-241-0929

"Everyone has a story and every story is worth listening to"



Please consider the environment before printing this e-mail

Elmquist, Candace

From: O'Connell, Tracy E
Sent: Friday, July 19, 2019 1:15 PM
To: Elmquist, Candace
Cc: Clark, Sarah
Subject: FW: Vermont PDG B-5 - discrepancy between budgets in Notice of Award and approved 424A

Hi Candace,

See correspondence below.

Thank you for moving this along.

Thank you,
Tracy

From: Truckle, Sarah <Sarah.Truckle@vermont.gov>
Sent: Friday, July 19, 2019 1:00 PM
To: O'Connell, Tracy E <Tracy.OConnell@vermont.gov>
Subject: FW: Vermont PDG B-5 - discrepancy between budgets in Notice of Award and approved 424A

Here is the email that came in this morning – let me know if you need anything else.

Sarah

Sarah Truckle
Child Development Director of Operations
Child Development Division, Department for Children & Families
802-241-0824 (Desk)
802-760-8750 (Cell)

From: Gonzales, Richard (ACF) <Richard.Gonzales@ACF.hhs.gov>
Sent: Friday, July 19, 2019 10:30 AM
To: Murphy, Reeve <Reeva.Murphy@vermont.gov>
Cc: Truckle, Sarah <Sarah.Truckle@vermont.gov>; Rex, Judith <Judith.Rex@vermont.gov>; Chin, Keith (ACF) <keith.chin@acf.hhs.gov>; Kimberly Mitchell (Kimberly.Mitchell@ed.gov) <Kimberly.Mitchell@ed.gov>
Subject: RE: Vermont PDG B-5 - discrepancy between budgets in Notice of Award and approved 424A

Hello Reeve,

In all honesty, I have no idea why the 424A and the actual grant award do not match in certain categories – Personnel, Fringe benefits, Travel and Contractual – and the grants management person who did the work is no longer working with the PDG B-5 Initiative. The good news is that this is an EASY fix and can be done as soon as someone on your end can go into GrantSolutions and submit a budget mod request placing the desired amounts in the correct categories. Thankfully, the overall federal grant amount is correct and we have no problem with you making adjustments to the line item amounts now or later, if amounts need to be modified again as work is being completed.

Hope that helps.

Thanks,
Richard

From: Murphy, Reeva <Reeva.Murphy@vermont.gov>
Sent: Friday, July 19, 2019 9:49 AM
To: Gonzales, Richard (ACF) <Richard.Gonzales@ACF.hhs.gov>; Kimberly Mitchell (Kimberly.Mitchell@ed.gov) <Kimberly.Mitchell@ed.gov>
Cc: Truckle, Sarah <Sarah.Truckle@vermont.gov>; Rex, Judith <Judith.Rex@vermont.gov>
Subject: Vermont PDG B-5 - discrepancy between budgets in Notice of Award and approved 424A
Importance: High

Richard and Kimberly

This is the follow up email I mentioned yesterday.

I have attached the revised 424A that Vermont submitted in January 2019 which was approved as our revised budget and the Final award notice we received in March 2019 reflecting the Object Class categories. You will see that though the bottom line of the Federal award is correct and congruent, there is not a match between line items for: Personnel, Fringe benefits, Travel and Contractual.

I've also attached the revised budget justification describing the budget submitted in the 424A which supports those object Class category amounts.

Can you explain why these do not match? Sorry that I, and our DCF budget office did not pick this up when we received the approval. Our Finance and Management folks in Administration have noticed the discrepancy in reviewing for approval and are asking about it.

Thanks for any help you can lend at your earliest convenience.
Reeva

Reeva Sullivan Murphy

Deputy Commissioner



Department for Children and Families

Child Development Division

NOB 1, 280 State Drive,

Waterbury, Vermont 05671-1040

<http://dcf.vermont.gov/cdd>

[phone] 802-241-0819
[cell phone] 802-760-0792
[email] reeva.murphy@vermont.gov

PLEASE NOTE NEW ADDRESS!

updates

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES
NOTICE OF AWARD**

SAI NUMBER:

PMS DOCUMENT NUMBER:

| | | | | |
|--|---|---|--|--|
| 1. AWARDING OFFICE: Office of Child Care | | 2. ASSISTANCE TYPE: Discretionary Grant | 3. AWARD NO.: 90TP0041-01-01 | 3a. AMEND. NO.: 1 |
| 4. FAIN: 90TP0041 | | | | |
| 5. TYPE OF AWARD: Demonstration | | 6. TYPE OF ACTION: Budget Revision | | 7. AWARD AUTHORITY: PRWORA OF 1996, PL 104-193 |
| 8. BUDGET PERIOD: 12/31/2018 THRU 12/30/2019 | 9. PROJECT PERIOD: 12/31/2018 THRU 12/30/2019 | 10. CFDA NO.: 93.434 - ESSA Preschool Development Grants Birth through Five | | |
| 11. RECIPIENT ORGANIZATION: Human Services, Vermont Agency Of 280 State Drive Nob 1 North Waterbury, VT 05671-0001 Grantee Authorizing Official: Ken Schatz, AHS-DCF Commissioner | | | 12. PROJECT / PROGRAM TITLE: Vermont Birth through Five System Improvement Project | |
| 13. COUNTY: Washington | 14. CONGR. DIST.: 00 | 15. PRINCIPAL INVESTIGATOR OR PROGRAM DIRECTOR: Reeva Sullivan Murphy Deputy Commissioner | | |
| 16. APPROVED BUDGET: | | 17. AWARD COMPUTATION: | | |
| Personnel..... \$ 546,338.00 | | A. NON-FEDERAL SHARE..... \$ 1,009,109.00 23.08% | | |
| Fringe Benefits..... \$ 209,544.00 | | B. FEDERAL SHARE..... \$ 3,363,695.00 76.92% | | |
| Travel..... \$ 28,176.00 | | 18. FEDERAL SHARE COMPUTATION: | | |
| Equipment..... \$ 13,500.00 | | A. TOTAL FEDERAL SHARE..... \$ 3,363,695.00 | | |
| Supplies..... \$ 0.00 | | B. UNOBLIGATED BALANCE FEDERAL SHARE..... \$ 0.00 | | |
| Contractual..... \$ 1,972,933.00 | | C. FED. SHARE AWARDED THIS BUDGET PERIOD... \$ 3,363,695.00 | | |
| Facilities/Construction..... \$ 0.00 | | 19. AMOUNT AWARDED THIS ACTION: | | \$ 0.00 |
| Other..... \$ 284,891.00 | | 20. FEDERAL \$ AWARDED THIS PROJECT PERIOD: | | \$ 3,363,695.00 |
| Direct Costs..... \$ 3,055,382.00 | | 21. AUTHORIZED TREATMENT OF PROGRAM INCOME: | | |
| Indirect Costs..... \$ 308,313.00 | | Additional Costs | | |
| In Kind Contributions..... \$ 0.00 | | 22. APPLICANT EIN: | | 23. PAYEE EIN: |
| Total Approved Budget..... \$ 3,363,695.00 | | 036000264 | | 1038000264C7 |
| | | 24. OBJECT CLASS: | | 41.51 |

| 25. FINANCIAL INFORMATION: | | | | | | |
|-----------------------------------|--------------|---------------|-----------|----------|-----------|-------------------|
| ORGN | DOCUMENT NO. | APPROPRIATION | CAN NO. | NEW AMT. | DUNS | UNOBLIG. NONFED % |
| | 90TP004101 | 75-1819-1536 | 9-G990145 | \$0.00 | 809376155 | |

26. REMARKS: (Continued on separate sheets)

Grantee's revised budget has been reviewed and approved. Therefore, this action serves to release the restriction on grant funds as imposed by the previous Notice of Award. Grantee may draw down Federal funds as per requirements of the Payment Management System.

Indirect costs budgeted at \$308,313 are restricted pending receipt of a valid Indirect Cost Rate Agreement for the current budget period.

| | | | |
|---|--|----------------------------------|--|
| 27. SIGNATURE - ACF GRANTS OFFICER Timothy Chappelle Office of Grants Management 370 L'Enfant Promenade, SW Washington, DC 20447 Phone: N/A | | ISSUE DATE: 03/08/2019 | 28. SIGNATURE(S) CERTIFYING FUND AVAILABILITY Ms. Toya Hodnett 03/08/2019 |
| 29. SIGNATURE AND TITLE - PROGRAM OFFICIAL(S) Mr. Andrew Williams - | | DATE: 03/08/2019 | |

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES
NOTICE OF AWARD**

SAI NUMBER:

PMS DOCUMENT NUMBER:

| | | | | |
|--|---|---|--|-----------------------------|
| 1. AWARDING OFFICE: Office of Child Care | | 2. ASSISTANCE TYPE: Discretionary Grant | 3. AWARD NO.: 90TP0041-01-01 | 3a. AMEND. NO.: 1 |
| 4. FAIN: 90TP0041 | | | | |
| 6. TYPE OF AWARD: Demonstration | | 6. TYPE OF ACTION: Budget Revision | 7. AWARD AUTHORITY: PRWORA OF 1996, PL 104-193 | |
| 8. BUDGET PERIOD: 12/31/2018 THRU 12/30/2019 | 9. PROJECT PERIOD: 12/31/2018 THRU 12/30/2019 | 10. CFDA NO.: 93.434 - ESSA Preschool Development Grants Birth through Five | | |
| 11. RECIPIENT ORGANIZATION: Vermont Department of Health | | | | |

STANDARD TERMS

1. All previously issued terms and conditions remain in effect.

CONTACTS

1. Questions concerning the programmatic aspects of the grant should be directed to Richard Gonzales via email to Richard.Gonzales@ACF.hhs.gov or at (202) 401-5138. Questions concerning the financial aspects of the grant should be directed to Roy Payne via email to roy.payne@acf.hhs.gov or call 202-401-4807.

original

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES
NOTICE OF AWARD**

SAI NUMBER:

PMS DOCUMENT NUMBER:

| | | | | |
|--|---|---|--|--|
| 1. AWARDING OFFICE: Office of Child Care | | 2. ASSISTANCE TYPE: Discretionary Grant | 3. AWARD NO.: 90TP0041-01-00 | 3a. AMEND. NO.: 0 |
| 4. FAIN: 90TP0041 | | | | |
| 5. TYPE OF AWARD: Demonstration | | 6. TYPE OF ACTION: New | 7. AWARD AUTHORITY: PRWORA OF 1996, PL 104-193 | |
| 8. BUDGET PERIOD: 12/31/2018 THRU 12/30/2019 | 9. PROJECT PERIOD: 12/31/2018 THRU 12/30/2019 | 10. CFDA NO.: 93.434 - ESSA Preschool Development Grants Birth through Five | | |
| 11. RECIPIENT ORGANIZATION: HUMAN SERVICES, VERMONT AGENCY OF 280 State Drive Nob 1 North Waterbury, VT 05671-0001 Grantee Authorizing Official: Ken Schatz, AHS-DCF Commissioner | | | 12. PROJECT / PROGRAM TITLE: Vermont Birth through Five System Improvement Project | |
| 13. COUNTY: Washington | 14. CONGR. DIST: 00 | 15. PRINCIPAL INVESTIGATOR OR PROGRAM DIRECTOR: Reeva S Murphy | | |
| 16. APPROVED BUDGET: | | 17. AWARD COMPUTATION: | | |
| Personnel..... \$ 0.00 | | A. NON-FEDERAL SHARE..... \$ 1,424,054.00 29.74% | | |
| Fringe Benefits..... \$ 0.00 | | B. FEDERAL SHARE..... \$ 3,363,695.00 70.26% | | |
| Travel..... \$ 0.00 | | 18. FEDERAL SHARE COMPUTATION: | | |
| Equipment..... \$ 0.00 | | A. TOTAL FEDERAL SHARE..... \$ 3,363,695.00 | | |
| Supplies..... \$ 0.00 | | B. UNOBLIGATED BALANCE FEDERAL SHARE..... \$ 0.00 | | |
| Contractual..... \$ 0.00 | | C. FED. SHARE AWARDED THIS BUDGET PERIOD...\$ 0.00 | | |
| Facilities/Construction..... \$ 0.00 | | 19. AMOUNT AWARDED THIS ACTION: | | \$ 3,363,695.00 |
| Other..... \$ 3,363,695.00 | | 20. FEDERAL \$ AWARDED THIS PROJECT PERIOD: | | \$ 3,363,695.00 |
| Direct Costs..... \$ 3,363,695.00 | | 21. AUTHORIZED TREATMENT OF PROGRAM INCOME: | | |
| Indirect Costs..... \$ 0.00 | | Additional Costs | | |
| In Kind Contributions..... \$ 0.00 | | 22. APPLICANT EIN: | | 23. PAYEE EIN: |
| Total Approved Budget..... \$ 3,363,695.00 | | 036000264 | | 1036000264C7 |
| | | | | 24. OBJECT CLASS: 41.51 |
| 25. FINANCIAL INFORMATION: | | | | |
| ORGN | DOCUMENT NO. | APPROPRIATION | CAN NO. | NEW AMT. |
| | 90TP004101 | 75-1819-1536 | 9-G990145 | \$3,363,695.00 |
| | | | DUNS | 809376155 |
| | | | UNOBLIG. | |
| | | | NONFED % | |
| 26. REMARKS: (Continued on separate sheets) | | | | |
| 27. SIGNATURE - ACF GRANTS OFFICER Timothy Chappelle Office of Grants Management 370 L'Enfant Promenade, SW Washington, DC 20447 Phone: N/A | | ISSUE DATE: 12/21/2018 | | 28. SIGNATURE(S) CERTIFYING FUND AVAILABILITY Ms. Toya Hodnett 12/21/2018 |
| 29. SIGNATURE AND TITLE - PROGRAM OFFICIAL(S) Mr. Andrew I Williams - | | | DATE: 12/21/2018 | |

**DEPARTMENT OF HEALTH AND HUMAN SERVICES
ADMINISTRATION FOR CHILDREN AND FAMILIES
NOTICE OF AWARD**

SAI NUMBER:

PMS DOCUMENT NUMBER:

| | | | | |
|--|---|---|--|-----------------------------|
| 1. AWARDING OFFICE: Office of Child Care | | 2. ASSISTANCE TYPE: Discretionary Grant | 3. AWARD NO.: 90TP0041-01-00 | 3a. AMEND. NO.: 0 |
| 4. FAIN: 90TP0041 | | | | |
| 5. TYPE OF AWARD: Demonstration | | 6. TYPE OF ACTION: New | 7. AWARD AUTHORITY: PRWORA OF 1996, PL 104-193 | |
| 8. BUDGET PERIOD: 12/31/2018 THRU 12/30/2019 | 9. PROJECT PERIOD: 12/31/2018 THRU 12/30/2019 | 10. CFDA NO.: 93.434 - ESSA Preschool Development Grants Birth through Five | | |
| 11. RECIPIENT ORGANIZATION: State of Vermont | | | | |

STANDARD TERMS

1. Paid by DHHS Payment Management System (PMS), see attached for payment formation.

This award is subject to the requirements of the HHS Grants Policy Statement (HHS GPS) that are applicable to you based on your recipient type and the purpose of this award.

The prior approval requirements waived by 45 CFR Part 75.308 (d) (4) are hereby reinstated and made applicable to this award. The grantee shall obtain all prior approvals set forth in 45 CFR Part 75.308 including those that apply to pre-award costs, project period extensions and carryover of unobligated balances to the next budget period.

This includes requirements in Parts I and II (available at <http://www.hhs.gov/grants/grants/policies-regulations/index.html>) of the HHS GPS. Although consistent with the HHS GPS, any applicable statutory or regulatory requirements, including 45 CFR Part 75, directly apply to this award apart from any coverage in the HHS GPS.

This award is subject to requirements or limitations in any applicable Appropriations Act.

This award is subject to the requirements of Section 106 (g) of the trafficking Victims

Protection Act of 2000, as amended (22 U.S.C. 7104). For the full text of the award term, go to <http://www.acf.hhs.gov/grants/discretionary-competitive-grants>

This award is subject to the Federal Financial Accountability and Transparency Act (FFATA or Transparency) of 2006 subaward and executive compensation reporting requirements.

For the full text of the award term, go to <http://www.acf.hhs.gov/grants/discretionary-competitive-grants>

This award is subject to requirements as set forth in 2 CFR 25.110 Central Contractor Registration (CCR) and DATA Universal Number System (DUNS). For full text go to <http://www.acf.hhs.gov/grants/discretionary-competitive-grants>

This award is subject to the requirements as set forth in 45 CFR Part 87.

This grant is subject to the requirements set forth in 45 CFR 1336.

This grant is subject to the requirements as set forth in 45 CFR Part 75.

Attached are terms and conditions, reporting requirements, and payment instructions.

Initial expenditure of funds by the grantee constitutes acceptance of this award.

Future support is anticipated.

AWARD CONDITIONS

1. Special Conditions

This award approves funding for your application/project at a lower amount than requested. Therefore, the Administration for Children & Families (ACF) will contact the grantee within 30 days



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: Joint Fiscal Committee members
From: Daniel Dickerson, Fiscal Analyst
Date: August 27, 2019
Subject: Grant Request – JFO #2971

Enclosed please find one (1) item, which the Joint Fiscal Office has received from the Administration.

JFO #2971 – \$56,500 from the Northern Border Regional Commission in Concord, NH to the VT ACCD Department of Economic Development. The department will utilize the funding to charge our regional development corporations with the creation of a Community Improvement Plan – a new statewide prioritization of community and economic development projects that hinge on unidentified gap funding. The grant will support staff time needed in each of the regional development corporations to:

- Gather information about community and economic development projects in their regions that have funding gaps.
- Convene regional partners (regional planning commissions, municipal leaders, their own boards, state leaders, and the general public) in a prioritization process.
- Produce a project list that prioritizes at least the top 10 community and economic development projects from the region.

The state will specifically ask for projects that support business retention and expansion, encourage job creation and expand access to high-speed broadband.

[JFO received 8/22/19]

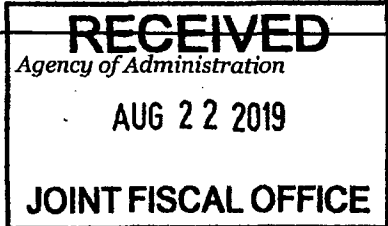
Please review the enclosed materials and notify the Joint Fiscal Office (Daniel Dickerson at (802) 828-2472; ddickerson@leg.state.vt.us) if you have questions or would like an item held for legislative review. Unless we hear from you to the contrary by September 10, 2019, we will assume that you agree to consider as final the Governor's acceptance of these requests.



JFO 2971

State of Vermont
Department of Finance & Management
109 State Street, Pavilion Building
Montpelier, VT 05620-0401

[phone] 802-828-2376
[fax] 802-828-2428



STATE OF VERMONT
FINANCE & MANAGEMENT GRANT REVIEW FORM

| | | | | | |
|---|--------------|---|-----------------------------|--------------|-----------------|
| Grant Summary: | | To work with RDCs to create a Community Improvement Plan. | | | |
| Date: | | 8/5/2019 | | | |
| Department: | | ACCD Dept. of Economic Development 7120010000 | | | |
| Legal Title of Grant: | | Northern Border Regional Development | | | |
| Federal Catalog #: | | 90.601 | | | |
| Grant/Donor Name and Address: | | Northern Border Regional Commission, 53 Pleasant Street, Suite 1201, Concord NH 03301 | | | |
| Grant Period: | | From: | To: | | |
| | | 7/1/2019 | 6/30/2020 | | |
| Grant/Donation | | \$56,500 | | | |
| | SFY 1 | SFY 2 | SFY 3 | Total | Comments |
| Grant Amount: | \$56,500 | \$ | \$ | \$ | |
| Position Information: | | # Positions | Explanation/Comments | | |
| | | 0 | | | |
| Additional Comments: | | No match required. | | | |
| Department of Finance & Management | | | | (Initial) | |
| Secretary of Administration | | | | (Initial) | |
| Sent To Joint Fiscal Office | | | | Date | |
| | | | | | |



JOINT LEGAL OFFICE

MAR 23 2016

RECEIVED



Department of Economic Development
Agency of Commerce and Community Development

To: Jason Aronowitz, Dept. of Finance and Management
CC: Lisa Allard, Joan Goldstein
From: Ted Brady, Deputy Secretary, Agency of Commerce and Community Development
Re: Northern Border Regional Commission
Date: July 19, 2019

Enclosed please find an AA-1 Form to receive funding of \$56,500 from the Northern Border Regional Commission as part of a NBRC capacity grant pilot program aimed at increasing member states' economic development capacity. The NBRC Governors' alternates approved the attached workplan during the May 2019 meeting.

ACCD and the Department of Economic Development will utilize these funds to assist in the marketing and administration of the \$3.4 million in NBRC grants Vermont will receive in 2019, to work with the state's regional development corporations to compile a statewide community and economic development project prioritization list, and to carry out other economic development activities as necessary.

I have enclosed the following:

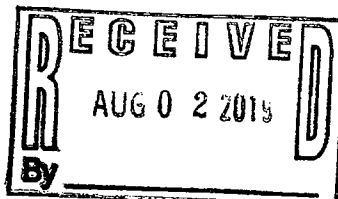
- An AA-1
- Federal Notice of Award (NOA) & Grant Agreement Between NBRC and ACCD
- Scope of Work as approved by NBRC

Please let me know if you need any additional information.

Thank you.

STATE OF VERMONT REQUEST FOR GRANT ^(*) ACCEPTANCE (Form AA-1)

| BASIC GRANT INFORMATION | | | | |
|---|--|-------------|-------------|-----------|
| 1. Agency: | Agency of Commerce and Community Development | | | |
| 2. Department: | Department of Economic Development | | | |
| 3. Program: | Northern Border Regional Commission | | | |
| 4. Legal Title of Grant: | Northern Border Regional Development | | | |
| 5. Federal Catalog #: | 90.601 | | | |
| 6. Grant/Donor Name and Address: Northern Border Regional Commission 53 Pleasant Street Suite 1201 Concord, NH 03301 | | | | |
| 7. Grant Period: | From: | 7/1/2019 | To: | 6/30/2020 |
| 8. Purpose of Grant: ACCD will use a FY2019 State Capacity Pilot Grant in the amount of \$56,500 to charge our regional development corporations with the creation of a Community Improvement Plan – a new statewide prioritization of community and economic development projects that hinge on unidentified gap funding. | | | | |
| 9. Impact on existing program if grant is not Accepted: NBRC grants and other federal and state funding administered by the Agency may not reach the most needy and impactful projects resulting in poor program performance. | | | | |
| 10. BUDGET INFORMATION | | | | |
| | SFY 1 FY 2020 | SFY 2 FY | SFY 3 FY | Comments |
| Expenditures: | | | | |
| Personal Services | \$ | \$ | \$ | |
| Operating Expenses | \$ | \$ | \$ | |
| Grants | \$56,500 | \$ | \$ | |
| Total | \$56,500 | \$ | \$ | |
| Revenues: | | | | |
| State Funds: | \$ | \$ | \$ | |
| Cash | \$ | \$ | \$ | |
| In-Kind | \$ | \$ | \$ | |
| Federal Funds: | \$ | \$ | \$ | |
| (Direct Costs) | \$56,500 | \$ | \$ | |
| (Statewide Indirect) | \$ | \$ | \$ | |
| (Departmental Indirect) | \$ | \$ | \$ | |
| Other Funds: | \$ | \$ | \$ | |
| Grant (source) | \$ | \$ | \$ | |
| Total | \$56,500 | \$ | \$ | |
| Appropriation No: | 7120010000/Fund 22005 | Amount: | \$56,500 | |
| | | | \$ | |
| | | | \$ | |



STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE (Form AA-1)

| | | |
|--|--------------|-----------------|
| | | \$ |
| | | \$ |
| | | \$ |
| | | \$ |
| | Total | \$56,500 |

PERSONAL SERVICE INFORMATION

11. Will monies from this grant be used to fund one or more Personal Service Contracts? ☐ Yes ☒ No
 If "Yes", appointing authority must initial here to indicate intent to follow current competitive bidding process/policy.

Appointing Authority Name: Joan Goldstein Agreed by: _____ (initial)

| 12. Limited Service Position Information: | # Positions | Title |
|---|-------------|-------|
| | 0 | N/A |
| | | |
| | | |
| | | |
| Total Positions | | |

12a. Equipment and space for these positions: ☐ Is presently available. ☐ Can be obtained with available funds.

13. AUTHORIZATION AGENCY/DEPARTMENT

| | | |
|--|----------------------------------|----------------------|
| I/we certify that no funds beyond basic application preparation and filing costs have been expended or committed in anticipation of Joint Fiscal Committee approval of this grant, unless previous notification was made on Form AA-1PN (if applicable): | Signature: <i>Joan Goldstein</i> | Date: <i>8/2/19</i> |
| | Title: Joan Goldstein | |
| | Signature: <i>Ted Brady</i> | Date: <i>7/19/19</i> |
| | Title: Ted Brady | |

14. SECRETARY OF ADMINISTRATION

| | | |
|---|--|---------------------|
| <input checked="" type="checkbox"/> Approved: | (Secretary or designee signature) <i>[Signature]</i> | Date: <i>8/6/19</i> |
|---|--|---------------------|

15. ACTION BY GOVERNOR

| | | |
|---|---|----------------------|
| <input checked="" type="checkbox"/> Check One Box: Accepted | (Governor's signature) <i>[Signature]</i> | Date: <i>8/13/19</i> |
| <input type="checkbox"/> Rejected | | |

16. DOCUMENTATION REQUIRED

| Required GRANT Documentation | |
|---|--|
| <input checked="" type="checkbox"/> Request Memo <input type="checkbox"/> Dept. project approval (if applicable) <input checked="" type="checkbox"/> Notice of Award <input type="checkbox"/> Grant Agreement <input type="checkbox"/> Grant Budget | <input type="checkbox"/> Notice of Donation (if any) <input type="checkbox"/> Grant (Project) Timeline (if applicable) <input type="checkbox"/> Request for Extension (if applicable) <input type="checkbox"/> Form AA-1PN attached (if applicable) |

End Form AA-1

(*) The term "grant" refers to any grant, gift, loan, or any sum of money or thing of value to be accepted by any agency.

STATE OF VERMONT REQUEST FOR GRANT (*) ACCEPTANCE (Form AA-1)

department, commission, board, or other part of state government (see 32 V.S.A. §5).

Northern Border Regional Commission
Vermont State Capacity Grant Pilot Program
Statement of Work Federal Fiscal Year 2019
June 7, 2019

Request: \$56,500

The State of Vermont proposes utilizing a FY2019 State Capacity Grant in the amount of \$56,500 to charge our regional development corporations with the creation of a Community Improvement Plan – a new statewide prioritization of community and economic development projects that hinge on unidentified gap funding. The state's 12 regional development corporations serve as extensions of the Vermont Agency of Commerce and Community Development, providing businesses with technical assistance, financing, workforce development support, and space.

The Agency will distribute the \$56,500 to the regional development corporations through subgrants, coordinated with the Agency's state general fund grants to the organizations in the last quarter of federal FY19. The additional funding will enable the Agency to add this responsibility to the RDCs, which otherwise would not have the capacity to undertake this request.

Funding will be used for staff time in each of the regional development corporations to:

- 1) Gather information about community and economic development projects in their regions that have funding gaps. This information should include project budgets (especially project budget gaps), executive summaries, and detailed information about project status.
- 2) Convene regional partners (regional planning commissions, municipal leaders, their own boards, state leaders) in a prioritization process that includes input from the general public.
- 3) Produce a project list that prioritizes at least the top 10 community and economic development projects from the region.

The State of Vermont will use these regional lists to create a Statewide Community Improvement Plan that will serve as a guide for prioritizing state and federal investments. The plan will be loosely based on the format and process that the state's Transportation Improvement Plan utilizes. The Agency intends to seek additional state funding from the Legislature in the coming years once the process and list is developed.

The state will specifically ask for projects that support business retention and expansion, create programs that encourage job creation and workforce development in eligible counties, expand access to high-speed broadband, and implement new or innovative economic development practices. Infrastructure projects that have access all known federal funding sources will be prioritized.

Budget: \$56,500

Grants: \$56,500 (12 grants)

Reporting: The Regional Development Corporations will be monitored by state performance grants that

include specific reporting requirements. These requirements shall include:

- 1) A coordination meeting between RDCs and the Agency of Commerce and Community Development to identify the needed information for each project and project criteria.
- 2) Demonstration of community-wide engagement through newsletters, public meetings, and convenings to solicit the creation of the list of projects.
- 2) Demonstration of a fair and neutral process to prioritize the list of projects that includes input from regional planning commissions.
- 3) Provide a list of prioritized projects with budgets, executive summaries, and demonstration of the needed gap in a standard format by December 15, 2019.

The Agency of Commerce will provide the NBRC with these lists and utilize these lists in the FY20 State EID grant round – awarding priority points to projects on the list.



Northern Border Regional Commission

July 31, 2019

Vermont Agency of Commerce and Economic Development
Tim Tierney, Economic Development Director
1 National Life Drive, David Building, 6th Floor
Montpelier, VT 05620

Mr. Tierney,

Congratulations!

On July 24th, 2019 the Northern Border Regional Commission approved a grant to the Vermont Agency of Commerce and Economic Development in the amount of \$56,500.

Please find attached, your grant agreement. Please have this signed and returned as soon as possible.

If you have questions regarding the grant program and how to apply in the future contact NBRC program staff or Rich Grogan, NBRC Executive Director at 603-369-3001 (admin@nbrc.gov).

I wish you much success in your work going forward,

Harold B. Parker
Federal Co-Chairman
Northern Border Regional Commission
53 Pleasant Street
Suite 1201
Concord, NH 03301



Northern Border Regional Commission

**Grant Agreement
Between
Northern Border Regional Commission (NBRC)
And
State of Vermont, Agency of Commerce and Economic
Development**

July 24, 2019

NBRC Grant Agreement Number: NBRC19SCVT-Pilot

Project Title: Community Improvement Plan

| | |
|--|---|
| Grantee/Recipient: Vermont Agency of Commerce and Economic Development Authorized Official: Tim Tierney 1 National Life Drive, David Building 6 th Floor, Montpelier, VT 05620 802-505-5496 Tim.tierney@vermont.gov | Grantor: Northern Border Regional Commission Contact: Christine Frost 53 Pleasant Street, Suite 1201, Concord, NH 03301 603-369-3001 x2 admin@nbrc.gov www.nbrc.gov |
| Co- Recipient: N/A | Local Development District: N/A |
| Contact: | Contact: |
| | |
| | |
| | |
| State Contact: N/A | |
| | |

| | |
|---|---|
| Grantee's Employer Identification Number (EIN): | 03-6000264 |
| Grantee's DUNS Number: | 809800667 |
| Date of Award: | 7/24/2019 |
| Date of Amendments | N/A |
| Total Project Amount: | 56,500 |
| Amount of Federal NBRC Funds Awarded: | 56,500 |
| Total Other Funds/Match: | 0 |
| Payment Rate: | 100% |
| CFDA Number and Name: | #90.601 /Economic and Infrastructure Development Grant Program |
| Project Description: | Gather information/Planning |
| Infrastructure Award: | N/A |
| Approved Indirect Cost Rate: | N/A |
| Period of Performance: | 7/24/19-9/31/19 |
| Project Scope: | See Attachment A |

Grant Provisions

- I. **STATEMENT OF PURPOSE**—This agreement incorporates by reference the recipient's proposal properly submitted in accordance with NBRC procedures on or before May 10, 2019. The agreement implements a grant/investment made under authorities of Northern Border Regional Commission to provide funding to the Grantee/Recipient and/or the Co-Recipient. Any other recipient of funding shall be funded through an award of a contract or subgrant. The scope of work included within the recipient's proposal constitutes the Grant Agreement purpose. To the extent that this agreement conflicts with the incorporate proposal, the agreement shall govern.
- II. **ORDER OF PRECEDENCE**—This grant agreement is subject to multiple sources of federal policy. Any conflict between or among these sources shall be resolved using the following order of precedence:
- a. Federal statutes, including 40 USC Subtitle 5;
 - b. Federal regulations including but not limited to 2 CFR 25, 170, 180, 182, and 200
 - c. This Agreement
 - d. The most recent NBRC Grant Investment Manual

For ease of adoption and clarity, this agreement contains references to specific regulatory provisions that the recipient is required to follow. By signing this agreement, the recipient acknowledges that it has received either paper copies or electronic links to the provisions cited.

- III. **FEDERAL AGENCY RESPONSIBILITIES**—NBRC has overall responsibility for agency awarded funds including providing oversight for programmatic, financial, and administrative performance. The Federal Co-Chair is responsible for all actions on behalf of NBRC including entering, modifying, suspending or terminating this Grant Agreement. NBRC may enforce the terms and conditions of this Grant Agreement utilizing procedures identified in 2 CFR 200.207, 2 CFR 200.338, 2 CFR 200.520, and 2 CFR 180.
- IV. **RECIPIENT RESPONSIBILITIES**—The recipient has full responsibility for the ongoing management of the project or activity supported under the Grant Agreement and for adherence to the federal requirements and Grant Agreement terms documented in this Grant Agreement. Although the recipient is encouraged to seek the advice of NBRC staff concerning the Grant Agreement, that does not diminish the recipient's responsibility for making prudent and sound judgments under the circumstances prevailing at the time that a decision is made nor does seeking advice shift responsibility for operating decisions to NBRC.

- V. **NOTICES**—All official notices concerning this Grant Agreement are to be delivered to the designated contact personnel whose names appear on the cover sheet of the Grant Agreement at the address designated. Such notices may be delivered in person, by United States Postal Service, by private deliver service, or electronic mail.
- VI. **LIABILITY**—Nothing contained in this agreement permits the recipient to assert that it is a part of the United States Government or that the United States Government is liable for any of its actions. The recipient shall hold and save the Government, its officers, agents, and employees harmless from any liability of any nature or kind, including costs and expenses, for or on account of any and all suits for damage sustained by any person or persons or property by virtue of performance of this Grant Agreement.
- VII. **SEVERABILITY**—If any portion of this agreement is determined to be invalid, the remainder of the agreement remains in effect.
- VIII. **DISPUTES AND JURISDICTION**—Any dispute arising under this agreement shall initially be addressed through good faith negotiation between the parties. In the case where resolution is not obtainable through those means, either party may bring action in a court of competent jurisdiction.
- IX. **STATEMENT OF ASSURANCES** (~~SF 424B—Non-construction~~; SF 424D—Construction)—As part of the grant application process, the recipient executed a Statement of Assurances which contains a listing of numerous federal laws, executive orders, and regulations which may apply by their terms to this Grant Agreement. This list is incorporated by reference and attached as Appendix B of this agreement.
- X. **SUSPENSION AND DEBARMENT** (2 CFR 180)—The recipient certifies, in accordance with 2 CFR 180.335, that neither it nor any of its principals is suspended or debarred from doing business with the Federal Government because of conditions covered under 2 CFR 180.
- XI. **DRUG-FREE WORKPLACE** (2 CFR 182)- Recipient must comply with the drug-free workplace regulations.
- XII. **HATCH ACT** (~~5 CFR 900~~)—The Hatch Act restricts the political activity of executive branch employees of the Federal Government and state or local officers or employees whose principal employment is in connection with an activity that is financed in whole or in part by loans or grants made by the United States or a Federal agency.
- XIII. **STEVENS AMENDMENT** (PL 100-463) – SEC. 511. When issuing statements, press releases, requests for proposals, bid solicitations and other documents describing projects or programs funded in whole or in part with Federal money, all grantees receiving Federal funds, including but not limited to State and local governments, shall clearly state (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by nongovernmental sources.

- XIV. **USE OF FEDERAL AGENCY AGREEMENT NUMBER** - The assigned NBRC Grant Agreement Number as listed for this Grant Agreement must appear on all correspondence and financial claims and other official communication in connection with the Grant Agreement.
- XV. **OBLIGATION OF FEDERAL FUNDS**—The total amount of federal funds obligated under this Grant Agreement is listed on page 2 of this Agreement as: "Amount of Federal NBRC Funds Awarded". No claims above this amount will be honored by NBRC. The following items are required to be filed with NBRC no later than September 1, 2019:
- a. A signed copy of this Grant Agreement
 - b. Completed SF3881 - Automated Clearing House (ACH) Vendor/Miscellaneous Payment Enrollment Form.

NOTE: UNLESS ALTERNATIVE ARRANGEMENTS ARE ESTABLISHED, FAILURE TO RETURN THIS SIGNED AGREEMENT AND ACH FORM BY THE DEADLINE IDENTIFIED COULD LEAD THE FEDERAL CO-CHAIR OR CONGRESS'S DESIGNEE TO ASSIGN THE FUNDS TO OTHER PRIORITY PROJECTS WITHIN YOUR STATE.

- XVI. **NOTICE TO PROCEED**—No work may begin on this project until an official Notice-to-Proceed issued by NBRC. Further, no documented non-federal matching or invoices generated by the recipient will be considered valid charges until the Notice-to-Proceed is issued by NBRC. The following items must be submitted to NBRC or completed prior to issuance of a Notice-to-Proceed:
- a. Completed Standard Form 3881 (Automated Clearinghouse (ACH) Vendor/Miscellaneous Payment Enrollment Form)
 - b. Signed Grant Agreement
 - c. Documentation of non-NBRC matching funds with coversheet listing the total amount of funding and each funding source.
 - d. Participation in a one-hour orientation meeting with NBRC
- XVII. **PAYMENT PROCEDURES**— In order to receive payments, the recipient must electronically submit a Standard Form 270 (Request for Advance or Reimbursement) to NBRC for the applicable period address: admin@nbrc.gov. NBRC will review and process the request and will make payments based on the methods permitted under 2 CFR 200.305. Generally, because of the nature of NBRC funded projects, the reimbursement method is chosen.
- XVIII. **DISCLOSURES**—In accordance with 2 CFR 200.113, the recipient will immediately disclose to NBRC any violations of federal criminal statutes (18 USC) involving fraud, bribery or gratuity violations.
- XIX. **REPORTING**

- a. **QUARTERLY PERFORMANCE REPORTING**—The recipient is required to provide quarterly progress reports using the Performance Progress Report (SF-PPR) according to the following schedule:
 - i. Reporting Period: (Quarter 1) October 1 - December 31 - **Report Due January 31**
 - ii. Reporting Period: (Quarter 2) January 1 - March 31 - **Report Due April 30**
 - iii. Reporting Period: (Quarter 3) April 1 - June 30 - **Report Due July 30**
 - iv. Reporting Period: (Quarter 4) July 1 - September 30 - **Report Due October 30**
 - v. Progress reports are required even if no activity has taken place during the quarterly period. A final performance report covering the entire project must be submitted not later than 90 days after the end of the performance period. No payment requests will be processed unless progress reports are up to date.
- b. **FINANCIAL REPORTS**—In accordance with 2 CFR 200.327, a completed Federal Financial Report (Standard Form 425) is required within 30 days after the end of the federal fiscal year (i.e. by October 30). In addition, a final Standard Form 425 must be submitted within 90 days after the performance period ends. No payment requests will be processed unless financial reports are up to date.
- c. **FFATA REPORTING**—In accordance with the Federal Funding Accountability and Transparency Act and regulations at 2 CFR 170, the recipient must comply with the reporting requirements of those policies whenever it makes a subaward obligation of more than \$25,000.
- d. **PERFORMANCE MEASURES**—The recipient agrees to report on program performance measures and outcomes as part of its final progress report, and three years after the final progress report using the Government Performance and Results Act (GPRA) information collection document. The measures and outcomes that apply to this Grant Agreement are:
 - i.
- e. **OTHER REPORTING**—The recipient will submit the following additional reports at the end of the project:
 - i. A video of no more than three minutes in duration describing the project results must be submitted with the final progress report.
 - ii. An inventory of any equipment purchased as part of the project must be submitted with the final progress report. Equipment is defined as an item of tangible personal property having a useful life of more than one year and a unit cost of more than \$5,000. A depreciation schedule may be used for determination of fair market value.
 - iii. Standard Form 429A concerning any real property purchased as well as any recorded deed restrictions associated with the property must be submitted with the final progress report. Any leases of real estate developed as part of the project must also be submitted at that time.

XX. **APPROVED BUDGET**—The total budget for this project is established through Attachment B.

- XXI. PROGRAMMATIC AND BUDGETARY CHANGES—Under 2 CFR 200.308(f), NBRC exercises its option to restrict cumulative transfers among direct cost categories or programs, functions, or activities to ten (10) percent of the total budget as last approved whenever it has designated the recipient as subject to special conditions pursuant to 2 CFR 200.207.
- XXII. NON-NBRC SHARE—Prior to issuance of a Notice-to-Proceed and any disbursement of grant payment, the recipient must identify the total project costs including any required matching share. Failure to satisfy any requirement for non-NBRC match by the conclusion of the project may lead to disallowance of federal funds already drawn and spent.
- XXIII. PROGRAM INCOME—If program income is earned as a result of expenditures under this Grant Agreement, it must be spent on allowable eligible costs of the project and must be disbursed prior to draw down of additional federal funds. Under this Grant Agreement, program income will be applied under the deductive alternative described in 2 CFR 200.307.
- XXIV. SUBAWARDS—Subawards of federal financial assistance are awards to lower tier organizations that assist them in carrying out a public program. Pursuant to 2 CFR 200.308(c), NBRC approval is required for the recipient to subaward a portion of the funds under this Grant Agreement. Prior to making the subaward, the recipient must, using the criteria identified in 2 CFR 200.330, make a case-by-case determination that the nature of activity being carried out constitutes a subaward and that the entity to which the subaward is to be made is an eligible entity under the NBRC authorizing legislation (i.e., a state or local government, Indian tribe, or public or private organization, described in Section 501(c) of the Internal Revenue Code of 1986 and exempt from taxation under Section 501(a) of that code. The recipient must prepare a subaward agreement to govern the programmatic and administrative activities of the subrecipient. The subaward agreement must contain the data elements identified in 2 CFR 200.331(a) (See Attachment C) and incorporate applicable provisions of this agreement including those identified in the applicable Statement of Assurances (SF 424B or SF 424D). The recipient shall carry out mandatory oversight and enforcement actions as outlined in 2 CFR 200.331(d) and (f) and may carry out discretionary oversight actions as outlined in 2 CFR 200.331(e).
- XXV. PROCUREMENT—Procurement of goods and services will be carried out following the recipient's own procurement procedures provided they meet the minimum standards established in 2 CFR 200.317-326 and Appendix II of 2 CFR 200. Methods of procurement must conform to procedures identified in the recipient's own procurement procedures and those identified in 2 CFR 200.320 and OMB memo 18-18. Northern Border Regional Commission has not instituted an approval process for thresholds higher than \$10,000 for micro-purchases. The recipient must take all affirmative steps identified in 2 CFR 200.321 to assure that small and minority businesses, women's business enterprises, and labor surplus area firms are solicited and utilized when possible. The recipient must develop and maintain a code of conduct for officers, employees, and agents which prohibits financial and familial conflict of interest and curtails solicitation or acceptance of gratuities in accordance with 2 CFR 200.318(c).

- a. This agreement requires that all services necessary for design and engineering phases of the project be discharged by qualified personnel. Contracts for architect and engineering services shall be arranged using the competitive procedures identified in 2 CFR 200.320(d)(5) under which price may not be used as a selection factor. Also, the recipient may not enter into a cost-plus percentage of cost or a cost plus a percentage of construction cost contract.
- b. In accordance with 2 CFR 200.318(b), the recipient will exercise oversight to assure that contractors perform in accordance with the delivery requirements of the contract and that they comply with all terms and conditions. The recipient shall enter into a sound and complete agreement with any contractor which is enforceable in the jurisdiction where the contract is to be performed and which contains the applicable clauses of 2 CFR 200, Appendix II included as Attachment D.

XXVI. PROPERTY TITLE, USE AND DISPOSITION—Title to real property, equipment, and supplies acquired by the recipient using funds from this agreement vests with the recipient. These assets shall be used for their original purposes if they are needed. The following policies apply to the different classes of property identified:

- a. **REAL PROPERTY**—Real property shall be used for its original purpose as long as it is needed. If no longer needed for its original purpose, the recipient must obtain disposition instructions from NBRC. Options available under 2 CFR 200.311(c) are retention, sale, or transfer to a third party. In each case, a settlement of residual financial interests will be made. If real property is retained by the recipient, it shall be treated as being encumbered for a period of 20 years. If the recipient is not a state or local government, such encumbrance will be recorded as a deed restriction and a copy of the restriction must be provided to NBRC no later than the end of the performance period. The recipient must also prepare a Standard Form 429A with respect to each piece of real property acquired and submit a copy of NBRC in accordance with the reporting requirements of this agreement.
- b. **EQUIPMENT**—Equipment as defined in 2 CFR 200.33 is an item of tangible property having a useful life of more than one year and a unit acquisition cost of \$5,000 or more. Equipment may be used for its original purpose as long as it is needed and may be used on other activities of the recipient provided activities under this Grant Agreement receive first priority. However, such equipment is not to be used in a manner that competes unfairly with private commercial firms. An inventory of equipment purchased under the Grant Agreement will be submitted to NBRC at close-out. Items of equipment with a unit fair market value of \$5,000 or less may be retained without compensation to the federal government. Other items of equipment will be subject to disposition instructions as provided in 2 CFR 200.313(c) and include retention, sale, or transfer to a third party. In each case, a financial settlement of residual financial interests will be made.
- c. **SUPPLIES**—Supplies acquired under this Grant Agreement shall be used only for purposes allowed under the Grant Agreement. If a residual inventory of unused

supplies remains at the end of the Grant Agreement that has a fair market value of more than \$5,000 in the aggregate and the supplies are not needed for any other federally financed program, the recipient shall repay NBRC for its share of the fair market value.

XXVII. EMPLOYMENT—The recipient shall use its regular recruitment, hiring, and employment practices consistent with federal, state, and local law including but not limited to various non-discrimination policies which apply because of the status as a federal assistance recipient or as an employer. However, the recipient agrees that it will not employ, offer any office or employment to, or retain for professional services any person who (1) on the date that NBRC executed this Grant Agreement or within a one period ending on that date served as an officer, attorney, agent, or employee of NBRC and (2) occupied a position or engaged in activities which the Federal Co-chair determines involved discretion with respect to the Grant Agreement by NBRC.

XXVIII. NON-RELOCATION—By signing this agreement, the recipient attests that the NBRC funding is not intended to assist efforts by the recipient to induce the relocation or movement of existing jobs from one geographic region to another in competition for those jobs with the following exception: Financial assistance may be used as otherwise authorized by this subtitle to attract businesses to the region from outside the United States per 40 USC, Subtitle V §15501 (f.) If NBRC determines that its assistance was used for such purposes, NBRC reserves the right to pursue appropriate enforcement action including suspension of payment and possible disallowance and recovery of funds from the recipient.

XXIX. COST ALLOWABILITY—Cost charges to this Grant Agreement, whether direct or indirect, will be determined in accordance with Subpart E of 2 CFR 200. These principles apply uniformly to state, local and tribal governments, institutions of higher education, and nonprofit organizations. The principles contain certain general tests of allowability that apply to all types of costs charged to the Grant Agreement and a list of selected items of cost that represent types of cost that are typically encountered by recipients and subrecipients in the course of administering a federal award or types of cost that, by their nature, the federal government refuses to allow. The detailed text of the cost principles identifies which the costs are allowable, which are not allowable, and which are allowable under certain circumstances or allowable. The proposed budget of the award was reviewed by NBRC to determine that the costs that are included therein are allowable. However, if, during the performance of this award, a cost occurs that is not included in the budget, it may still be allowable, based on the language in the cost principles. The recipient should take special care to review the listing contained in 2 CFR 200.407 which identifies costs that require prior approval, under certain circumstances.

XXX. RECORDS RETENTION AND ACCESS—The recipient shall retain all financial and programmatic records that are pertinent to the Grant Agreement. The records shall be retained for at least three years following submission of the final financial and performance reports for the Grant Agreement. If any audit, claim, or litigation started before the expiration of the retention period, the recipient shall retain the records until such matters are fully resolved. If the recipient is subject to any other more rigorous retention period for the records, the records must be retained to meet that requirement. During the period of

retention, the records are accessible to the Comptroller General of the United States, the federal awarding agency, an inspector general, independent auditor performing audits under the Single Audit Act and any of their duly authorized representatives for the purpose of audit, examination, and copying. The rights of access do not expire with the designated retention period but shall last as long as the records are retained.

- a. Records in the hands of the recipient are not subject to disclosure to the general public under the federal Freedom of Information Act. However, any records transmitted to NBRC are subject to that statute. Methods for collection, transmission, and storage of the records shall be consistent with instructions contained in 2 CFR 200.335.

XXXI. AUDIT REQUIREMENTS—The funds made available under this agreement are considered to be a federal award within the meaning of 2 CFR 200.502. Accordingly, the expenditures that the recipient makes from this Grant Agreement count toward meeting the threshold amount of expenditures necessary to trigger an audit pursuant to the Single Audit Act and 2 CFR 200, Subpart F. Thus, if the recipient organization expends more than \$750,000 in covered federal awards during its fiscal year, it will arrange for an independent audit conducted by a qualified auditor or firm. The resulting audit report along with a completed SF-SAC and additional documents identified in 2 CFR 200.511 must be submitted to the Federal Audit Clearinghouse not later than nine (9) months after the end of the recipient's fiscal year. Information about how to accomplish single audit submissions is available at <http://harvester.census/facweb/Default.aspx>.

XXXII. CONTINUING ACCOUNTABILITY—The recipient must assume continuing accountability for several matters that extend beyond the performance period. These include custody and maintenance of property that has been retained, records retention and access for records, and the discretionary right of the federal government to conduct audits and investigations on an as needed basis.



Northern Border Regional Commission

Grant Agreement Between Northern Border Regional Commission (NBRC) And State of Vermont, Agency of Commerce and Economic Development

July 24, 2019

NBRC Grant Agreement Number: NBRC19SCVT-Pilot

Project Title: Community Improvement Plan

| |
|--|
| |
|--|

Recipient's Authorized Representative Name and Title (print)

| | |
|--|--|
| | |
|--|--|

Recipient's Authorized Representative (signature) *(By signing this document, you affirm that you have read this document and are prepared, and shall maintain the capacity, to carry out all the obligations that come date with these Investment funds).*

Harold B. Parker, Federal Co-Chair

NBRC Authorized Representative Name and Title (print)

| | |
|--|--|
| | |
|--|--|

NBRC Authorized Representative (signature)

date

Attachment A



Agency of Commerce and Community Development

National Life Building – Davis Building, 6th Floor

[phone] 802-828-3211

One National Life Drive

[fax] 802-828-3383

Montpelier, VT 05620-0501

accd.vermont.gov

Vermont State Capacity Grant Pilot Program

Page 2

The state will specifically ask for projects that support business retention and expansion, create programs that encourage job creation and workforce development in eligible counties, expand access to high-speed broadband, and implement new or innovative economic development practices – all priorities identified in the state capacity grant program. Infrastructure projects that have accessed all known federal funding sources will be prioritized.

Budget: \$56,500

Grants: \$56,500 (12 grants)

Reporting: The Regional Development Corporations will be monitored by state performance grants that include specific reporting requirements. These requirements shall include:

- 1) A coordination meeting between RDCs and the Agency of Commerce and Community Development to identify the needed information for each project and project criteria.
- 2) Demonstration of community-wide engagement through newsletters, public meetings, and convenings to solicit the creation of the list of projects.
- 2) Demonstration of a fair and neutral process to prioritize the list of projects that includes input from regional planning commissions.
- 3) Provide a list of prioritized projects with budgets, executive summaries, and demonstration of the needed gap in a standard format by December 15, 2019.

The Agency of Commerce will provide the NBRC with these lists and utilize these lists in the FY20 State EID grant round – awarding priority points to projects on the list.



Attachment B

BUDGET INFORMATION - Non-Construction Programs

OMB Number: 4040-0006
Expiration Date: 01/31/2019

SECTION A - BUDGET SUMMARY

| Grant Program Function or Activity (a) | Catalog of Federal Domestic Assistance Number (b) | Estimated Unobligated Funds | | New or Revised Budget | | |
|---|--|-----------------------------|--------------------|-----------------------|--------------------|--------------|
| | | Federal (c) | Non-Federal (d) | Federal (e) | Non-Federal (f) | Total (g) |
| 1. Vermont State Capacity Grant Pilot Program | 90.601 | \$ 56,500.00 | \$ 56,500.00 | \$ 56,500.00 | \$ 56,500.00 | \$ 56,500.00 |
| 2. | | | | | | |
| 3. | | | | | | |
| 4. | | | | | | |
| 5. Totals | | \$ 56,500.00 | \$ 56,500.00 | \$ 56,500.00 | \$ 56,500.00 | \$ 56,500.00 |

SECTION B - BUDGET CATEGORIES

| 6. Object Class Categories | GRANT PROGRAM, FUNCTION OR ACTIVITY | | | | Total (5) |
|--|---|-------------------------|-------------------------|-------------------------|--|
| | (1) | (2) | (3) | (4) | |
| 12 Regional Development Corporations | | | | | |
| a. Personnel | \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/> |
| b. Fringe Benefits | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| c. Travel | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| d. Equipment | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| e. Supplies | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| f. Contractual | <input type="text" value="56,500"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text" value="56,500"/> |
| g. Construction | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| h. Other | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| i. Total Direct Charges (sum of 6a-6h) | <input type="text" value="56,500.00"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | \$ <input type="text"/> |
| j. Indirect Charges | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | \$ <input type="text"/> |
| k. TOTALS (sum of 6i and 6j) | \$ <input type="text" value="56,500.00"/> | \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text" value="56,500"/> |
| 7. Program Income | \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/> |

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Standard Form 424A (Rev. 7-97)
Prescribed by OMB (Circular A -102) Page 1A

| SECTION C - NON-FEDERAL RESOURCES | | | | | |
|--|---|---|---|---|--|
| (a) Grant Program | (b) Applicant | (c) State | (d) Other Sources | (e) TOTALS | |
| 8. <input style="width: 90%;" type="text"/> | \$ <input style="width: 80%;" type="text"/> | \$ <input style="width: 80%;" type="text"/> | \$ <input style="width: 80%;" type="text"/> | \$ <input style="width: 80%;" type="text"/> | |
| 9. <input style="width: 90%;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | |
| 10. <input style="width: 90%;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | |
| 11. <input style="width: 90%;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | |
| 12. TOTAL (sum of lines 8-11) | \$ <input style="width: 80%;" type="text"/> | \$ <input style="width: 80%;" type="text"/> | \$ <input style="width: 80%;" type="text"/> | \$ <input style="width: 80%;" type="text"/> | |

| SECTION D - FORECASTED CASH NEEDS | | | | | |
|--|--|---|---|---|--|
| | Total for 1st Year | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter |
| 13. Federal <input style="width: 80%;" type="text"/> | \$ <input style="width: 80%; text-align: right; value: 56,500.00;" type="text"/> | \$ <input style="width: 80%;" type="text"/> | \$ <input style="width: 80%;" type="text"/> | \$ <input style="width: 80%;" type="text"/> | \$ <input style="width: 80%; text-align: right; value: 56,500.00;" type="text"/> |
| 14. Non-Federal <input style="width: 80%;" type="text"/> | \$ <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> |
| 15. TOTAL (sum of lines 13 and 14) | \$ <input style="width: 80%; text-align: right; value: 56,500.00;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | \$ <input style="width: 80%; text-align: right; value: 56,500.00;" type="text"/> |

| SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT | | | | | |
|---|---|---|---|---|--|
| (a) Grant Program | FUTURE FUNDING PERIODS (YEARS) | | | | |
| | (b) First | (c) Second | (d) Third | (e) Fourth | |
| 16. <input style="width: 90%;" type="text"/> | \$ <input style="width: 80%;" type="text"/> | \$ <input style="width: 80%;" type="text"/> | \$ <input style="width: 80%;" type="text"/> | \$ <input style="width: 80%;" type="text"/> | |
| 17. <input style="width: 90%;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | |
| 18. <input style="width: 90%;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | |
| 19. <input style="width: 90%;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | <input style="width: 80%;" type="text"/> | |
| 20. TOTAL (sum of lines 16 - 19) | \$ <input style="width: 80%;" type="text"/> | \$ <input style="width: 80%;" type="text"/> | \$ <input style="width: 80%;" type="text"/> | \$ <input style="width: 80%;" type="text"/> | |

| SECTION F - OTHER BUDGET INFORMATION | |
|--|--|
| 21. Direct Charges: <input style="width: 90%;" type="text"/> | 22. Indirect Charges: <input style="width: 90%;" type="text"/> |
| 23. Remarks: <input style="width: 90%;" type="text"/> | |

Attachment C

200.331 Requirements for pass-through entities.

All pass-through entities must:

(a) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. When some of this information is not available, the pass-through entity must provide the best information available to describe the Federal award and subaward. Required information includes:

(1) Federal Award Identification.

(i) Subrecipient name (which must match the name associated with its unique entity identifier);

(ii) Subrecipient's unique entity identifier;

(iii) Federal Award Identification Number (FAIN);

(iv) Federal Award Date (see §200.39 Federal award date) of award to the recipient by the Federal agency;

(v) Subaward Period of Performance Start and End Date;

(vi) Amount of Federal Funds Obligated by this action by the pass-through entity to the subrecipient;

(vii) Total Amount of Federal Funds Obligated to the subrecipient by the pass-through entity including the current obligation;

(viii) Total Amount of the Federal Award committed to the subrecipient by the pass-through entity;

(ix) Federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA);

(x) Name of Federal awarding agency, pass-through entity, and contact information for awarding official of the Pass-through entity;

(xi) CFDA Number and Name; the pass-through entity must identify the dollar amount made available under each Federal award and the CFDA number at time of disbursement;

(xii) Identification of whether the award is R&D; and

(xiii) Indirect cost rate for the Federal award (including if the de minimis rate is charged per §200.414 Indirect (F&A) costs).

(2) All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award;

(3) Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the Federal awarding agency including identification of any required financial and performance reports;

(4) An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal Government or, if no such rate exists, either a rate negotiated between the pass-through entity and the subrecipient (in compliance with this part), or a de minimis indirect cost rate as defined in §200.414 Indirect (F&A) costs, paragraph (f);

Attachment C

(5) A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of this part; and

(6) Appropriate terms and conditions concerning closeout of the subaward.

(b) Evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described in paragraphs (d) and (e) of this section, which may include consideration of such factors as:

(1) The subrecipient's prior experience with the same or similar subawards;

(2) The results of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F—Audit Requirements of this part, and the extent to which the same or similar subaward has been audited as a major program;

(3) Whether the subrecipient has new personnel or new or substantially changed systems; and

(4) The extent and results of Federal awarding agency monitoring (e.g., if the subrecipient also receives Federal awards directly from a Federal awarding agency).

(c) Consider imposing specific subaward conditions upon a subrecipient if appropriate as described in §200.207 Specific conditions.

(d) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:

(1) Reviewing financial and performance reports required by the pass-through entity.

(2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.

(3) Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by §200.521 Management decision.

(e) Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in paragraph (b) of this section), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:

(1) Providing subrecipients with training and technical assistance on program-related matters; and

(2) Performing on-site reviews of the subrecipient's program operations;

(3) Arranging for agreed-upon-procedures engagements as described in §200.425 Audit services.

(f) Verify that every subrecipient is audited as required by Subpart F—Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in §200.501 Audit requirements.

(g) Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.

(h) Consider taking enforcement action against noncompliant subrecipients as described in §200.338 Remedies for noncompliance of this part and in program regulations.

Attachment D

Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

(A) Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

(B) All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be affected and the basis for settlement.

(C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the

Attachment D

basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

(G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(H) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

(J) See §200.322 Procurement of recovered materials.

[78 FR 78608, Dec. 26, 2013, as amended at 79 FR 75888, Dec. 19, 2014]

Joint Fiscal Office

One Baldwin Street • Montpelier, VT 05633-5701 • (802) 828-2295 • Fax: (802) 828-2483

MEMORANDUM

To: Senator Ann Cummings, Chair
Representative Kitty Toll, Vice Chair
Members of the Joint Fiscal Committee

From: Stephen Klein, Chief Fiscal Officer

Date: September 13, 2019

Subject: September 2019 – Fiscal Officer's Report

What follows is an update of recent developments, some of which will be on the agenda for the September 16 meeting of the Joint Fiscal Committee.

1. FY 2020 Revenue Collection Status

Revenues for the first two months of the year are at or above targets. In the General Fund, revenues were just over 1% ahead of the two-month target. In the Transportation Fund, revenues were just over 2% ahead of the two-month target. In the Education Fund, revenues are on target.

General Fund: Total non-health care revenues were down \$2.8 million for the month of August but are up \$1.5 million for the year compared to target. The drag appears to be largely due to a small miss on the personal income tax for August (2.2 million down for the month, but still up \$1.8 million for the year) and on the corporate tax (down \$2.7 million for the month), which saw negative collections for the month, likely through refunds. The estate tax saw a bump this month, with \$3.3 million coming in. For health care revenues, the hospital provider tax was \$500,000 above target for the month and the year. Cigarette and tobacco taxes appear to be running at target for the year.

Transportation Fund: The T-fund is up \$1.1 million for the year with gasoline, diesel, purchase and use, and DMV fees collectively running \$1.9 million over target. These were partially offset by other revenues, which are running \$800,000 off for the year.

Education Fund: Overall the education fund is basically right at target. Sales taxes had a good month (\$1 million over target), which made up for a slow month last month. Overall, sales taxes are down \$400,000 for the year.

The month end was somewhat disrupted by a lockdown which occurred on Friday, August 30th. September is traditionally a bigger revenue month and we should know more at the close of September.

2. Transportation Fund FY 2020 shortfall

The July consensus forecast reduced the FY 2020 revenue estimate for the Transportation Fund (TF), resulting in a budgetary shortfall of \$1,943,148. The Transportation Infrastructure Bond (TIB) Fund has a FY 2020 surplus of \$1,119,745 that is available from a combination of a FY 2019 year-end revenue surplus of \$319,745 and \$800,000 from an increase in the July FY 2020 consensus TIB Fund forecast. This shortfall is below the one percent threshold that would be needed for a rescission plan approval. The Agency of Transportation (AOT) has submitted a plan to address the funding need through budget adjustment. That letter is in your materials.

3. FY20 DVHA Medicaid Expenditure Trend

Through September 6th, Medicaid expenditures are trending below estimates as follows:

Program Actual Spending vs. Estimates:

Currently estimating based on the average of 2 years' lookback.

- Total Program costs are \$6.28 million underspent to date.
- Claims are \$3.2 million underspent to date.
- Drug Rebates are \$3.25 million over-collected to date.

4. Other Medicaid Issues

The Medicaid staff group that forecasts the baseline caseload and cost estimates is beginning preliminary work. One of the issues they are grappling with is understanding the potential impact of a larger share of Medicaid lives being attributed to the ACO. If approved by CMS, a new geographically based attribution method may result in over 110,000 fully covered Medicaid enrollees being attributed in CY 2020. The immediate questions for the group are to understand how this will be incorporated into the Medicaid budget forecast model and how it would impact the concurrent actuarial work that is underway for the next round of rate negotiations between DVHA and the ACO. Last year these analyses provided mutual checks on the reasonableness of estimates, and we hope that will be the case again but aligning the data components and assumptions is an ongoing challenge.

Beyond this other concerns have arisen, and while these are not new, the group is revisiting the understanding of the interaction between the timing of the contract, the annual state budget, payment predictability, and shared risks. This is mostly in the Medicaid context as the leader in this payment change effort, but they are also contemplating if there are additional implications to Medicaid as the attributed lives from Medicare and commercial carriers change.

5. State Employees' and Teachers' Retirement Funds

As you may know, the assumed rates of return for the retirement system, which are used in actuarial calculations, are 7.5%. Actual returns for fiscal year 2019 have been delayed but are likely below 7.5%. This lower return may offset some of the Legislature's effort to add new funding. In mid-October, we expect to see the actuarial analysis of these funds to see if there has been an improvement in funded ratios.

6. LIHEAP

Initial projections are for a LIHEAP program subsidy similar to last year. Federal dollars are projected at \$20.4 million in a federal LIHEAP block grant, which is the same amount we received last year. The Department of Children and Families (DCF) reports that they believe we will be serving approximately 500 fewer households this winter in the seasonal fuel program and we are anticipating higher fuel costs. With all of these factors combined, we are projecting a higher average benefit per household, although the purchasing power will remain similar to last year due to the higher fuel prices. DCF will provide a copy of our compilation spreadsheet in the coming weeks when the data is finalized.

7. Joint Fiscal Office Updates

a. Several Issue Briefs have been released in the past month. These include:

1. [FY20 Education Property Tax Rates](#)

Published on Sep 4, 2019 by Chloe Wexler, Legislative Fiscal Data Analyst

2. [Taxpayer Migration by Age and Income: Evidence from the IRS](#)

Published on Aug 27, 2019 by Graham Campbell, Joint Fiscal Office and Chloe Wexler, Joint Fiscal Office. This is the first of two reports with the second focusing on where Vermonters move and where they come from.

3. [Understanding the Common Level of Appraisal](#)

Published on Aug 13, 2019 by Chloe Wexler, Legislative Fiscal Data Analyst, Joint Fiscal Office

4. [2019 August Fiscal Focus](#)

Published on Aug 9, 2019 by Joint Fiscal Office

5. [Vermont's Population by Single Year of Age, 1996-2030 \(data only\)](#) and [Vermont's Population: Single-Year-of-Age Numbers for 1996 through 2030](#)

Published on Aug 8, 2019 by Joyce Manchester, Senior Economist, Joint Fiscal Office; Sean Sheehan, Staff Director, Tax Structure Commission

REPORTS

**Report to
The Vermont Legislature**

**Report on:
Choices for Care Savings**

**In Accordance with 33 V.S.A. §7602
Title 33, Chapter 76, §7602
CFC: Calculating and Allocating Savings**

**Submitted to: Joint Fiscal Office
House Committee on Appropriations
House Committee on Human Services
Senate Committee on Appropriations
Senate Committee on Health and Welfare**

Submitted by: Monica Caserta Hutt, Commissioner

**Prepared by: William R. Kelly, Financial Director
Megan Tierney-Ward, Adult Services Division Director**

Report Date: November 14, 2019



AGENCY OF HUMAN SERVICES
Department of Disabilities, Aging and Independent Living

33 V.S.A. § 7601 charges the Department of Disabilities, Aging and Independent Living (DAIL) to determine the amount of available savings in the Choices for Care program annually. As required, the following is a summary of the relevant statute and requirements and final information about the SFY'19 Choices for Care available savings.

Savings is defined as “the difference remaining at the conclusion of each fiscal year between the amount of funds appropriated for Choices for Care and the sum of expended and obligated funds, less an amount equal to one percent of that fiscal year’s total Choices for care expenditure.” The one percent (1%) is intended to “function as a reserve to avoid implementing a High Needs wait list due to unplanned Choices for Care budget pressures throughout the fiscal year.”

Additionally, the Department is required to “calculate savings and investments in Choices for Care” and report those to the Joint Fiscal Committee and the House Committees on Appropriations and Human Services and to the Senate Committees on Appropriations and Health and Welfare by September 15th of each year.

As per the requirement in 33 V.S.A. § 7601, we are reporting that in State Fiscal Year 2019, there was \$263,065 in savings available to reinvest in the Choices for Care program. Our Choices for Care close out summary for SFY 2019 has been attached to this report to offer additional documentation.

In reviewing needs within the Choices for Care program, we identified the current cap of 12 hours of case management annually in the Moderate Needs Program as a significant barrier to quality care for individuals in that program. Moderate Needs is designed as a program which supports limited in-home care, homemaking and adult day services for individuals who do not qualify for a nursing-home level of care. As a program, it supports individuals to stay at home longer and to avoid higher levels of care. The cap on case management hours over the course of several years has been not adequate to meet the needs of Moderate Needs participants as demonstrated by the high volume of variance requests that have been reviewed and approved by the State each year. With a modest investment, we believe that raising the case management services cap from 12 hours annually to 24 hours annually enables providers to meet the needs of those individuals who might require additional case management.

Based on that information and analysis, as of 7/1/19 the Choices for Care savings of \$263,065 was reinvested in increasing the annual Moderate Needs Case Management cap on hours from 12 to 24.

Choices for Care Year End Summary - SFY19

CFC is managed as one budget, categories are estimated but funding is fluid within them.

DeptID - 34100160000

| | SFY19 Plan\$ Available (Final Appropriation) | SFY19 Expend and Obligated | Balance of SFY19 Approp by fund | State Share Amt as of FY19 Year End | State Share converted to Gross GC Amt Available For CF/Savings Reinvestment | |
|--|--|----------------------------------|------------------------------------|--|--|---|
| H&CB Money Follows the Person General Fund | \$ 650,292.33 | \$ 177,465.45 | \$ 472,826.88 | \$ 472,826.88 | \$ 541,946.67 | \$222,826.88 General Fund balance being carried forward to SFY20 - staying as General Fund for H&CB Money Follows the Person obligations. |
| H&CB Money Follows the Person Federal Fund | \$ 1,100,000.00 | \$ 589,362.83 | \$ 510,637.17 | \$ - | \$ - | |
| H&CB Global Commitment Fund | \$ 76,230,406.00 | \$ 76,856,121.91 | \$ (625,715.91) | \$ (289,143.32) | \$ (626,801.04) | |
| Nursing Home Global Commitment Fund | \$ 131,762,137.00 | \$ 129,348,687.14 | \$ 2,413,449.86 | \$ 1,115,255.18 | \$ 2,417,635.34 | |
| Choices for Care Subtotal all funds | \$ 209,742,835.33 | \$ 206,971,637.33 | \$ 2,771,198.00 | \$ 1,298,938.74 | \$ 2,332,780.96 | GC Carryforward from SFY19 into SFY20 available before obligations. |
| | | | | | \$ - | |
| NOTES | | | | | \$ 2,332,780.96 | Carryforward is less than 1/2 of 1% of budget. |
| | | | | | \$ 2,069,716.37 | 1% reserve requirement, calculated by taking 1% of SFY19 expenses (if available) |
| | | | | | \$ 263,064.59 | amount available for "reinvestment" |
| | | | | | | Used for Reinvestment into Moderate Needs Case Management 12-24 hours. |



Agency of Human Services
Office of the Secretary
280 State Drive – Center Building
Waterbury, VT 05671-1000
[phone] 802-241-0440
[fax] 802-241-0450

MEMORANDUM

TO: Susanne Young, Secretary of Administration *BY*
FROM: Sarah Clark, AHS CFO
THROUGH: Al Gobeille, Secretary, Agency of Human Services *AG*
DATE: June 25, 2019
RE: Medicaid Waiver Closeout Adjustments – SFY19

Please find attached a supplemental list of requested Medicaid Waiver adjustments that reflect the AHS closeout plan for Agency Central Office and AHS Departments.

DVHA has received the last draw request from DXC representing the 52nd week of Medicaid payments. AHS and DVHA have been closely monitoring the “52 points of light,” knowing that the DVHA GC Program appropriation may not have sufficient GC spending authority to make the final payment. In order to prepare for the worst-case scenario, AHS is requesting a supplemental adjustment to GC spending authority in order for DVHA to closeout. This worst-case scenario is predicated on the amount of drug rebates DVHA will receive in this last week in order to offset expenditures. DAIL, DMH and GMCB have additional unused GC spending authority that make this adjustment possible.

These adjustments reflect the approved process for limited appropriation adjustments per 2018 Special Session Act 11 Sec.E.301.2 (see next page for detail).

AHS ADJUSTMENTS ON ATTACHED SPREADSHHET

- Department of Vermont Health Access
- Department of Mental Health
- Department of Disabilities, Aging, and Independent Living
- Green Mountain Care Board

Approved:

[Signature]
Susanne Young, Secretary of Administration

Date:

6/25/19

**Sec. E.301.2 GLOBAL COMMITMENT APPROPRIATIONS; TRANSFER;
REPORT**

(a) In order to facilitate the end-of-year closeout for fiscal year 2019, the Secretary of Human Services, with approval from the Secretary of Administration, may make transfers among the appropriations authorized for Medicaid and Medicaid-waiver program expenses, including Global Commitment appropriations outside the Agency of Human Services. At least three business days prior to any transfer, the Agency shall submit to the Joint Fiscal Office a proposal of transfers to be made pursuant to this section. A final report on all transfers made under this section shall be made to the Joint Fiscal Committee for review at the September 2019 meeting. The purpose of this section is to provide the Agency with limited authority to modify the appropriations to comply with the terms and conditions of the Global Commitment for Health waiver approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

**Global Commitment SFY19
AHS GC Closeout Adjustments**

| Department | Dept ID | Fund Codes | General 10000 | Federal 22005 | Global Commitment 20405 | Total |
|----------------------|------------|--|------------------|------------------|-------------------------------|-----------|
| AHS | 3400001000 | AHS Secretary's Office | | | | 0 |
| DRS | 3400008000 | Division of Rate Setting | | | | 0 |
| HSB | 3400010000 | Human Services Board | | | | 0 |
| TOTAL AHS/DRS | | | 0 | 0 | 0 | 0 |
| DOC | 3480004000 | Correctional Services | | | | 0 |
| TOTAL DOC | | | 0 | 0 | 0 | 0 |
| DVHA | 3410010000 | Admin | | | | |
| | | Transfer GC to Global Commitment Program | | | (424,303) | (424,303) |
| | | Convert GC to GF | 50,000 | | (108,201) | (58,201) |
| | 3410015000 | Global Commitment | | | | |
| | | Receive GC from DAIL Developmental Services | | | 4,000,000 | 4,000,000 |
| | | Receive GC from from Admin | | | 424,303 | 424,303 |
| | | Receive GC from State Only | | | 236,314 | 236,314 |
| | | Receive GC from DMH | | | 567,795 | 567,795 |
| | | Receive GC from GMCB | | | 418,850 | 418,850 |
| | 3410016000 | GC LTC Waiver | | | | |
| | 3410017000 | State Only | | | | |
| | | Transfer GC to Global Commitment Program | | | (236,314) | (236,314) |
| | 3410018000 | Non-Waiver Matched | | | | 0 |
| | | | 0 | | | 0 |
| TOTAL DVHA | | | 50,000 | 0 | 4,878,444 | 4,928,444 |
| VDH | 3420010000 | Admin & Support | | | | 0 |
| | 3420021000 | Public Health | | | | 0 |
| | | | | | | 0 |
| | | | | | | 0 |
| | 3420080000 | ADAP | | | | 0 |
| | | | | | | 0 |
| TOTAL VDH | | | 0 | 0 | 0 | 0 |

| | | | | | | |
|-------------|------------|---|---|---|-------------|-------------|
| DMH | 3150070000 | Mental Health | | | | |
| | | Transfer GC to DVHA | | | (567,795) | (567,795) |
| | | | | | | 0 |
| | | | | | | 0 |
| TOTAL DMH | | | 0 | 0 | (567,795) | (567,795) |
| DDAIL | 3460010000 | Administration & Support | | | | 0 |
| | | | | | | 0 |
| | | | | | | 0 |
| | | | | | | 0 |
| | 3460020000 | DAIL Grants | | | | 0 |
| | | | | | | 0 |
| | | | | | | |
| | 3460030000 | Blind and Visually Impaired | | | | 0 |
| | | | | | | 0 |
| | | | | | | |
| | 3460040000 | Vocational Rehabilitation | | | | |
| | | | | | | |
| | | | | | | |
| | 3460050000 | Developmental Services | | | | |
| | | Transfer GC to DVHA Global Commitment Program | | | (4,000,000) | (4,000,000) |
| | | | | | | 0 |
| | | | | | | 0 |
| | 3460070000 | TBI, Home & Comm. Based Waiver | | | | |
| | | | | | | 0 |
| | | | | | | 0 |
| | | | | | | 0 |
| | | | | | | 0 |
| | | | | | | 0 |
| | | | | | | |
| | | | | | | |
| TOTAL DDAIL | | | 0 | 0 | (4,000,000) | (4,000,000) |
| DCF | 3440010000 | Admin | | | | |
| | | | | | | 0 |
| | | | | | | |
| | 3440020000 | FSD | | | | |
| | | | | | | 0 |
| | | | | | | 0 |
| | 3440030000 | CDD | | | | |
| | | | | | | 0 |
| | | | | | | |
| | 3440050000 | AABD | | | | |
| | | | | | | 0 |
| | | | | | | |
| | 3440060000 | GA | | | | |
| | | | | | | 0 |
| | | | | | | 0 |
| | 3440080000 | Reach Up | | | | |
| | | | | | | 0 |
| | | | | | | 0 |
| | 3440100000 | OEO | | | | |
| | | | | | | 0 |

| | | | | | |
|-------------|--|----------|----------|-----------|-----------|
| | | | | | |
| | | | | | |
| 3440120000 | Woodside | | | | |
| | | | | | |
| 3440130000 | Disability Determination Services | | | | |
| | | | | | 0 |
| | | | | | |
| TOTAL DCF | | 0 | 0 | 0 | 0 |
| | | | | | |
| GMCB | 3330010000 | | | | |
| | GMCB | | | | |
| | Transfer GC to DVHA | | | (418,850) | (418,850) |
| TOTAL GMCB | | 0 | 0 | (418,850) | (418,850) |
| | | | | | |
| | Net by fund all Depts: | 50,000 | 0 | (108,201) | (58,201) |
| | | | | | |
| AHSCO | 3400004000 | | | | |
| | Secretary's Office | | | | |
| | Global Commitment | | | | |
| | General and Federal Funds for GC Conversions | (50,000) | (58,201) | | (108,201) |
| TOTAL AHSCO | | (50,000) | (58,201) | 0 | (108,201) |



Agency of Human Services
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MEMORANDUM

TO: Susanne Young, Secretary of Administration
FROM: Sarah Clark, AHS CFO *SC*
THROUGH: Al Gobeille, Secretary, Agency of Human Services
DATE: June 5, 2019
RE: Medicaid Waiver Closeout Adjustments – SFY19

Please find attached a list of requested Medicaid Waiver adjustments that reflect the AHS closeout plan for Agency Central Office and AHS Departments.

Some key points on this year's adjustments:

- The DVHA Global Commitment (GC) Program appropriation is projecting a \$7.7M gross shortfall for closeout. This shortfall is a result of DVHA paying for the CY2018 fee-for-service claims tail of Medicaid beneficiaries that were also attributed to the CY2019 Accountable Care Organization (ACO) Program. The DVHA Admin and DAIL Developmental Services appropriations are projecting surpluses, therefore, AHS will be transferring balances to cover the DVHA GC appropriation. By doing this transfer, AHS does not anticipate the need to use contingency funding from the Human Services Caseload Reserve per 2019 Session Act 6 Sec. 63.
 - The DVHA State Only appropriation is also projecting a deficit that is a result of the one-time payment to Springfield Hospital. AHS intends to use one-time General Funds, as outlined in Sec.C.117 of H.542, to cover this shortfall. DVHA will be submitting an excess receipt for this Interdepartmental transfer.
 - The DVHA Long Term Care (LTC) appropriation, managed by DAIL, is projecting a GC surplus. A portion of this surplus will be used to cash in General Fund (GF) that will be carried forward into SFY20. The GF will be used as State match for the Money Follows the Person grant program. This funding was recently re-authorized and the LTC appropriation does not have any base GF for match in SFY20.
 - Other changes reflect the ebb and flow of Medicaid earnings and services for consumers across the AHS appropriations.
-

These adjustments reflect the approved process for limited appropriation adjustments per 2018 Special Session Act 11 Sec.E.301.2 (see next page for detail).

AHS ADJUSTMENTS ON ATTACHED SPREADSHHET

- AHS Central Office
- Department of Vermont Health Access
- Vermont Department of Health
- Department of Mental Health
- Department of Disabilities, Aging, and Independent Living
- Department for Children and Families

Approved:



Date: 6/6/19

Susanne Young
Secretary of Administration

**Sec. E.301.2 GLOBAL COMMITMENT APPROPRIATIONS; TRANSFER;
REPORT**

(a) In order to facilitate the end-of-year closeout for fiscal year 2019, the Secretary of Human Services, with approval from the Secretary of Administration, may make transfers among the appropriations authorized for Medicaid and Medicaid-waiver program expenses, including Global Commitment appropriations outside the Agency of Human Services. At least three business days prior to any transfer, the Agency shall submit to the Joint Fiscal Office a proposal of transfers to be made pursuant to this section. A final report on all transfers made under this section shall be made to the Joint Fiscal Committee for review at the September 2019 meeting. The purpose of this section is to provide the Agency with limited authority to modify the appropriations to comply with the terms and conditions of the Global Commitment for Health waiver approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

**Global Commitment SFY19
AHS GC Closeout Adjustments**

| Department | Dept ID | Fund Codes | General 10000 | Federal 22005 | Global Commitment 20405 | Total |
|----------------------|-------------|--|------------------|------------------|-------------------------------|-------------|
| AHS | 3400001000 | AHS Secretary's Office | | | | |
| | | Convert GF to GC | (748,004) | | 1,618,708 | 870,702 |
| DRS | 3400008000 | Division of Rate Setting | | | | 0 |
| HSB | 34000100000 | Human Services Board | | | | 0 |
| TOTAL AHS/DRS | | | (748,004) | 0 | 1,618,708 | 870,702 |
| DOC | 3480004000 | Correctional Services | | | | 0 |
| TOTAL DOC | | | 0 | 0 | 0 | 0 |
| DVHA | 3410010000 | Admin | | | | |
| | | Transfer GC to Global Commitment Program | | | (2,700,000) | (2,700,000) |
| | | | | | | 0 |
| | 3410015000 | Global Commitment | | | | |
| | | Receive GC from DAIL Developmental Services | | | 5,000,000 | 5,000,000 |
| | | Receive GC from from Admin | | | 2,700,000 | 2,700,000 |
| | | | | | | 0 |
| | 3410018000 | GC LTC Waiver | | | | |
| | | Convert GC to GF for MFP State match | 175,000 | | (378,706) | 175,000 |
| | | Convert GC to GF for MFP State match for FY20 carryforward | 325,000 | | (703,311) | 325,000 |
| | | | | | | 0 |
| | 3410017000 | State Only | | | | |
| | 3410018000 | Non-Waiver Matched | | | | 0 |
| | | | 0 | | | 0 |
| TOTAL DVHA | | | 500,000 | 0 | 3,917,983 | 4,417,983 |
| VDH | 3420010000 | Admin & Support | | | | |
| | | Transfer GC to Public Health | | | (1,396,592) | (1,396,592) |
| | 3420021000 | Public Health | | | | |
| | | Receive GC from Admin/Support and convert to GF | 645,365 | | | 645,365 |
| | | Receive GC from ADAP | | | 1,012,504 | 1,012,504 |

| | | | | | | |
|-------|------------------|---|------------------|-------------|--------------------|--------------------|
| | | Receive GC from ADAP and convert to GF | 1,003,522 | | | 1,003,522 |
| | | | | | | |
| | 3420060000 | ADAP | | | | |
| | | Transfer GC to Public Health | | (1,012,504) | (1,012,504) | |
| | | Transfer GC to Public Health | | (2,171,656) | (2,171,656) | |
| | | | | | | |
| | TOTAL VDH | | 1,648,887 | 0 | (3,568,248) | (1,919,361) |
| | | | | | | |
| DMH | 3150070000 | Mental Health | | | | |
| | | Convert GF to GC | (906,025) | 1,960,669 | 1,054,644 | |
| | | | | | 0 | |
| | | | | | 0 | |
| | TOTAL DMH | | (906,025) | 0 | 1,960,669 | 1,054,644 |
| | | | | | | |
| DDAIL | 3460010000 | Administration & Support | | | | 0 |
| | | Receive GC from TBI | | 160,000 | 160,000 | |
| | | Receive GC from TBI and convert to GF | 138,630 | | | 138,630 |
| | | Receive GC from DAIL Grants and convert to GF | 92,420 | | | 92,420 |
| | | | | | | |
| | 3460020000 | DAIL Grants | | | | |
| | | Transfer GC from TBI to DAIL Grants and convert to GF | 25,000 | | | 25,000 |
| | | Transfer GC to DAIL Admin | | (200,000) | (200,000) | |
| | | | | | | |
| | 3460030000 | Blind and Visually Impaired | | | | |
| | | Receive GC from TBI and convert to GF | 160,000 | | | 160,000 |
| | | | | | | 0 |
| | | | | | | |
| | 3460040000 | Vocational Rehabilitation | | | | |
| | | | | | | |
| | 3460050000 | Developmental Services | | | | |
| | | Transfer GC to DVHA Global Commitment Program | | (5,000,000) | (5,000,000) | |
| | | Transfer GC to DCF FSD | | (200,000) | (200,000) | |
| | | | | | | 0 |
| | | | | | | |
| | 3460070000 | TBI, Home & Comm. Based Waiver | | | | |
| | | Transfer GC TBI to DAIL Grants | | (54,101) | (54,101) | |
| | | Transfer GC to DBVI Grants | | (346,245) | (346,245) | |
| | | Transfer GC to DAIL Admin | | (160,000) | (160,000) | |
| | | Transfer GC to DAIL Admin | | (300,000) | (300,000) | |
| | | | | | | 0 |
| | | | | | | |
| | | | | | | |

| | | | | | |
|-------------|-----------------------------------|--|-------------|-------------|-------------|
| TOTAL DDAIL | | 418,050 | 0 | (6,100,346) | (5,684,296) |
| DCF | 3440010000 | Admin | | | |
| | | Convert GC to GF | 53,142 | (115,000) | (61,858) |
| | | | | | |
| | 3440020000 | FSD | | | |
| | | Convert GF to GC | (2,102,555) | 4,550,000 | 2,447,445 |
| | | Receive GC from DAIL Developmental Services | | 200,000 | 200,000 |
| | | | | | 0 |
| | | | | | |
| | 3440030000 | CDD | | | |
| | | Convert GC to GF | 1,136,766 | (2,460,000) | (1,323,234) |
| | | | | | |
| | | | | | |
| | 3440050000 | AABD | | | |
| | | | | | 0 |
| | | | | | |
| | 3440060000 | GA | | | |
| | | Convert GF to GC | (9,242) | 20,000 | 10,758 |
| | | | | | 0 |
| | | | | | |
| | 3440080000 | Reach Up | | | |
| | Convert GC to GF | 92,420 | (200,000) | (107,580) | |
| | | | | 0 | |
| | | | | 0 | |
| | | | | | |
| 3440100000 | OEO | | | | |
| | Convert GC to GF | 23,105 | (50,000) | (26,895) | |
| | | | | | |
| | | | | | |
| 3440120000 | Woodside | | | | |
| | | | | | |
| 3440130000 | Disability Determination Services | | | | |
| | | | | | |
| | | | | 0 | |
| | | | | | |
| TOTAL DCF | | (806,354) | 0 | 1,945,000 | 1,138,636 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | Net by fund all AHS Depts: | 104,544 | 0 | (226,236) | (121,692) |
| AHSCO | 3400004000 | Secretary's Office | | | |
| | | Global Commitment | | | |
| | | General and Federal Funds for GC Conversions | (104,544) | (121,692) | (226,236) |
| | | | | | |
| TOTAL AHSCO | | (104,544) | (121,692) | 0 | (226,236) |



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Agency of Administration

MEMORANDUM

TO: Joint Fiscal Committee
FROM: Adam Greshin, Commissioner, Department of Finance and Management
RE: Report on FY 2020 Pay Act Allocations (per 3 VSA Sec 2281 (4))
DATE: October 30, 2019

Please find attached the report on distribution of the FY 2020 Pay Act.

The FY 2020 Pay Act appropriations for the Executive Branch were made in 2018 Act 191 Sec.15(a)(2)(A) [\$8,569,000 General Fund] and Sec.15 (a)(2)(B) [\$2,368,000 Transportation Fund]. The Judicial Branch is appropriated \$1,090,441 General Fund in Sec.15 (b)(2)(B), and the Legislative Branch is appropriated \$307,000 General Fund in Sec.15 (c)(2).

Of the executive pay act amount described above, \$602,500 is committed to various non-salary items stipulated by the VSEA contract.

Please note, final Pay Act transfers occur near the end of the fiscal year and may differ from transfers listed in the attached schedule based on an assessment of each department's final need. Currently, there is a \$347,310 estimated gap between Pay Act need and the Pay Act Appropriation. This gap is likely due to a variety of factors, the largest being the impact of position reclassifications that occur after passage of the Pay Act. However, we expect that at the time of the actual distribution of FY 2020 Pay Act, the amount of the appropriation should be sufficient to meet departments' needs. This expectation is based on: 1) actual payroll costs may be lower than currently forecast; 2) many departments carried forward General Funds from FY 2019 into FY 2020 for the purpose of supporting their FY F2020 salary needs; and 3) departments may have other opportunities within their budgets to identify offsetting savings.

Pay Act Calculation Methodology

The methodology used in developing Pay Act potential needs is as follows:

- The General and Transportation Fund share of the required Pay Act are derived from the FY 2020 As Passed budget which reflects an estimated annualized June 30, 2019 payroll base.
- Department Pay Act salary requirements (that is, the value of the FY 2020 salary increases, both COLA and steps) are projected position-by-position for all employees using the 2020 As Passed budget, which reflects an estimated annualized June 30, 2019 payroll base for departments. The Pay Act potential need is the value of the General and Transportation Fund share of salaries and benefits that are driven by salary (FICA, retirement, life insurance, and LTD).
- The costs of various non-salary contract items are stipulated in certain articles of the State-VSEA Bargaining Agreement.

Attachment

cc: House and Senate Committees on Appropriations and on Government Operations

FY 2020 PAY ACT REPORT: 3 VSA SEC 2281(4)**

| 10/16/2019 | (A) | (B) | (C) | (D) |
|--|--|---|--|--|
| | Pay Act Potential Need - General Funds | Pay Act Potential Need - General Funds (Legislature) | Pay Act Potential Need - General Funds (Judiciary) | Pay Act Potential Need - Transp. Funds |
| 1100010000 - Secretary of Administration | 14,422 | | | |
| 1105500000 - ADS - Agency of Digital Services | 2,964 | | | |
| 1110003000 - Finance and management - budget and management | 30,617 | | | |
| 1120010000 - Human resources - operations | 47,551 | | | |
| 1130030000 - Libraries | 28,929 | | | |
| 1140010000 - Tax - administration/collection | 358,412 | | | |
| 1150400000 - Buildings and general services - information centers | 8,935 | | | |
| 1150500000 - Buildings and general services - purchasing | 27,914 | | | |
| 1160050000 - Buildings and general services - postal services | 1,932 | | | |
| 1200010000 - Executive office - governor's office | 46,878 | | | |
| 1210001000 - Legislative council | - | 120,031 | | |
| 1210002000 - Legislature | - | 107,335 | | |
| 1220000000 - Joint fiscal committee | - | 51,935 | | |
| 1230001000 - Sergeant at arms | - | 27,699 | | |
| 1240001000 - Lieutenant governor | 5,914 | | | |
| 1250010000 - Auditor of accounts | 5,571 | | | |
| 1260010000 - State treasurer | 23,539 | | | |
| 1270000000 - State labor relations board | 4,622 | | | |
| 1280000000 - VOSHA review board | 513 | | | |
| 2100001000 - Attorney general | 135,952 | | | |
| 2110000100 - Defender general - public defense | 211,972 | | | |
| 2110010000 - Defender general - assigned counsel | 3,105 | | | |
| 2120000000 - Judiciary | - | | 1,090,441 | |
| 2130100000 - State's attorneys | 302,726 | | | |
| 2130200000 - Sheriffs | 103,344 | | | |
| 2140010000 - Public safety-state police | 1,337,566 | | | |
| 2140020000 - Public safety - criminal justice services | 42,684 | | | |
| 2140030000 - Public safety - emergency management | 7,305 | | | |
| 2140040000 - Public safety - fire safety | 6,970 | | | |
| 2140060000 - Public safety - administration | 42,196 | | | |
| 2140090000 - Forensic Laboratory Division | 58,023 | | | |
| 2150010000 - Military - administration | 20,721 | | | |
| 2150020000 - Military - air service contract | 13,340 | | | |
| 2150040000 - Military - building maintenance | 13,934 | | | |
| 2150050000 - Military - veterans' affairs | 16,606 | | | |
| 2170010000 - Criminal justice training council | 30,075 | | | |
| 2200010000 - Agriculture, food and markets - administration | 16,278 | | | |
| 2200020000 - Agriculture - food safety and consumer protection | 66,329 | | | |
| 2200030000 - Agriculture - agricultural development | 16,109 | | | |
| 2200040000 - Agriculture - labs, resources management and environmental | 11,739 | | | |
| 2200150000 - Agriculture-Vermont Agricultural & Environmental Laboratory | 14,751 | | | |
| 2200160000 - Agriculture-Clean Water Initiative | 16,909 | | | |
| 2280001000 - Human rights commission | 11,068 | | | |
| 3150070000 - Mental health - mental health | 317,242 | | | |
| 3300010000 - Vermont veterans' home - care and support services | 6,278 | | | |
| 3310000000 - Commission on women | 8,192 | | | |
| 3330010000 - Green Mountain Care Board | 42,909 | | | |
| 3400001000 - Agency of human services - secretary's office | 80,497 | | | |
| 3400010000 - Human services board | 7,593 | | | |
| 3410010000 - Department of Vermont health access - administration | 187,610 | | | |
| 3420010000 - Health - administration and support | 44,253 | | | |
| 3420021000 - Health - public health | 321,089 | | | |
| 3420060000 - Health - alcohol & drug abuse programs | 15,334 | | | |
| 3440010000 - DCF - Administration & support services | 492,242 | | | |
| 3440020000 - DCF - family services | 578,588 | | | |
| 3440030000 - DCF - child development | 62,062 | | | |
| 3440040000 - DCF - office of child support | 86,891 | | | |
| 3440100000 - DCF - office of economic opportunity | 7,446 | | | |
| 3440120000 - DCF - Woodside rehabilitation center | 135,150 | | | |
| 3440130000 - DCF - disability determination services | 1,608 | | | |
| 3460010000 - DAIL - administration & support | 355,194 | | | |
| 3480001000 - Corrections - Administration | 83,424 | | | |
| 3480002000 - Corrections - Parole Board | 7,005 | | | |
| 3480003000 - Corrections - Education | 94,260 | | | |
| 3480004000 - Corrections -Correctional Services | 2,163,814 | | | |
| 4100500000 - Labor - programs | 49,345 | | | |
| 5100010000 - Education - finance and administration | 43,239 | | | |
| 5100070000 - Education Services | 72,452 | | | |
| 6100010000 - Agency of natural resources - administration | 51,860 | | | |
| 6120000000 - Fish and wildlife - support and field services | 112,574 | | | |
| 6130010000 - Forests, parks and recreation - administration | 25,664 | | | |
| 6130020000 - Forests, parks, and recreation - forestry | 116,872 | | | |

| | | | | |
|---|------------------|------------------------------|------------------|------------------|
| 6130030000 - Forests, parks, and recreation - state parks | 6,066 | | | |
| 6130040000 - Forests, parks, and recreation - lands administration | 7,451 | | | |
| 6140020000 - Environmental conservation - management and support services | 21,221 | | | |
| 6140030000 - Environmental conservation - air and waste management | 3,261 | | | |
| 6140040000 - Environmental conservation - office of water programs | 134,619 | | | |
| 6215000000 - Natural resources board | 14,559 | | | |
| 7100000000 - Agency of commerce and community development - admin. | 54,118 | | | |
| 7110010000 - Housing and community development | 61,050 | | | |
| 7120010000 - Economic Development | 22,898 | | | |
| 7130000000 - Tourism and marketing | 24,022 | | | |
| 8100001000 - Transportation - finance and administration | - | | | 250,000 |
| 8100001100 - Transportation - program development | - | | | 500,000.00 |
| 8100002000 - Transportation - maintenance state system | - | | | 1,450,000.00 |
| 8100002100 - Department of motor vehicles | - | | | |
| 8100002200 - Transportation - policy and planning | - | | | 168,000.00 |
| 8100002300 - Transportation - rail | - | | | |
| 8100005700 - Transportation - public transit | - | | | |
| 8110000200 - Transportation - central garage | - | | | |
| ALL_ORGS - All State Organizations | 8,378,040 | 307,000 | 1,090,441 | 2,368,000 |
| Executive Branch Salary Costs | 8,378,040 | (A) | | |
| Legislative Branch Salary Costs | 307,000 | (B) | | |
| Judicial Branch Salary Costs | 1,090,441 | (C) | | |
| Total General Fund Salary Costs | 9,775,481 | (A) + (B) + (C) | | |
| Available Executive Pay Act Appropriation - General Funds | 8,569,000 | (E) | | |
| Executive Branch Salary Increase Costs - General Funds | 8,378,040 | (A) | | |
| HR Non-Salary Pay Act Items | 602,500 | (F) | | |
| Vermont Historical Society - Pay Increase per 22 VSA Sec. 285 | 60,146 | (G) | | |
| Total Executive Branch Pay Act Need - General Funds | 9,040,686 | (A) + (F) + (G) = (H) | | |
| FY 2019 Pay Act Carryforward Balance | 124,376 | (I) | | |
| Net Exec. Pay Act Balance - General Funds | (347,310) | (E) - (H) + (I) | | |
| Executive Branch Salary Increase Costs - Transportation Funds | 2,368,000 | | | |
| Appropriated Executive Branch Pay Act - Transportation Funds | 2,368,000 | (D) | | |
| Net Exec. Pay Act Balance - Transportation Funds | - | | | |
| Legislative Branch Salary Increase Costs | 307,000 | (B) | | |
| Appropriated Legislative Branch Pay Act | 307,000 | | | |
| Net Leg. Pay Act Balance | - | | | |
| Judicial Branch Salary increase Costs | 1,090,441 | (C) | | |
| Appropriated Judicial Branch Pay Act | 1,090,441 | | | |
| Net Jud. Pay Act Balance | - | | | |
| Pay Act appropriations are found in 2018 Act 191 | | | | |
| * Final Pay Act transfers occur near the end of the fiscal year and may differ from transfers listed above. | | | | |

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MEMORANDUM

To: Senator Ann Cummings, Chair and Members of the Joint Fiscal Committee

From: Marcey Hodgdon, Fiscal Director

Date: October 31, 2019

E-SIGNED by Marcey Hodgdon
on 2019-10-31 09:40:27 EDT

SUBJECT: COMPLEX LITIGATION SPECIAL FUND ANNUAL REPORT

The Complex Litigation Special Fund was not utilized in SFY2019; the balance is unchanged at \$1,000,000 as of June 30, 2019.

In compliance with 3 V.S.A. §167a.(d), a balance of \$850,000 is projected for the Complex Litigation Special Fund at the end of FY2020. This represents a projected FY2020 use of \$150,000 and requested replenishment of the fund. Usage of the fund will be to cover unanticipated investigation, prosecution and defense expenses in complex criminal litigation cases.

**Report to
The Vermont Legislature**

**Annual Report on the Receipts, Expenditures, and Balances
in the Health IT-Fund**

In Accordance with 32 V.S.A. §10301(g): Health IT-Fund

Submitted to: Joint Fiscal Committee
Green Mountain Care Board

Submitted by: Susanne Young,
Secretary, Agency of Administration

Prepared by: Cory Gustafson,
Commissioner, Department of Vermont Health Access,
Agency of Human Services

Report Date: September 1st, 2019

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BACKGROUND

In accordance with 32 V.S.A. §10301(g), an annual report on the receipts, expenditures, and balances of the Health Information Technology (Health IT)-Fund is required to be submitted to the Joint Fiscal Committee and the Green Mountain Care Board. The Health IT-Fund was established as a special fund to be a source of funding for medical health care information technology programs and initiatives, such as those described in the Vermont Health Information Technology/Exchange (HIT/HIE) Plan. The Fund was established to be used for 'programs and initiatives sponsored by VITL and State entities designed to promote and improve health care information technology, including:

- (1) a program to provide electronic health information systems and practice management systems for health care and human service practitioners in Vermont;
- (2) financial support for VITL to build and operate the health information exchange network;
- (3) implementation of the Blueprint for Health information technology initiatives, related public and mental health initiatives, and the advanced medical home and community care team project; and
- (4) consulting services for installation, integration, and clinical process re-engineering relating to the utilization of health-care information technology such as electronic health records.'

The Health IT-Fund generally supports electronic health systems, the health information exchange network (operated by Vermont Information Technology Leaders [VITL]), and the Blueprint for Health and like initiatives in their use of information technology. The Health IT-Fund is supported by revenue collected from the health care claims tax. Revenue from the health care claims tax is paid by the health insurers on private health insurance claims, and the revenue collected from 0.199 of 1% of all health insurance claims is deposited into the Health IT-Fund pursuant to 32 V.S.A. § 10402(b)(1), effective until July 1, 2019. Effective July 1, 2019, revenue paid and collected through the health care claims tax, pursuant to 32 V.S.A. § 10402(b), will be deposited into the General Fund.¹ Act 71 of 2019, An act relating to changes that affect the revenue of the State, amended the effective date of the Health IT-Fund sunset from July 1, 2019 to July 1, 2021.

¹ See Sec. 73 of Act 6 of 2019:

<https://legislature.vermont.gov/Documents/2020/Docs/ACTS/ACT006/ACT006%20As%20Enacted.pdf>



**AGENCY OF HUMAN SERVICES
DEPARTMENT OF VERMONT HEALTH ACCESS**

RECEIPTS, EXPENDITURES, AND BALANCES

A year-by-year summary of the Fund's receipts, expenditures, and balances are provided below (Table 1), with the Fund balance at the end of state fiscal year 2019 at \$4,347,430.45. It is important to note the increases in expenditures for state fiscal years 2018 and 2019; these increases are due, primarily, to two factors:

- 1) Act 85 of 2017, Sec. D.106, authorized the Agency of Human Services to expend \$2,000,000 of the Health IT-Fund as State match for Global Commitment program expenditures in fiscal year 2018, transferred \$500,000 from the Health IT-Fund to the General Fund (reserved in the General Fund Balance Reserve, also known as the Rainy Day Reserve, established in 32 V.S.A. § 308c) and allowed for an additional expenditure of \$2,000,000 from the Health IT-Fund as State match for Global Commitment program expenditures in fiscal year 2019 and;
- 2) An expiration of a portion of the Global Commitment waiver that allowed Vermont to gain matching federal funds for specific health IT activities.

Table 1. Health IT-Fund Receipts, Expenditures, and Balances Since SFY09

| HIT FUND BALANCES SINCE SFY09 | | | |
|-------------------------------|----------------------|----------------------|--------------|
| SFY | Receipts | Expenditures | Balances |
| SFY09 | 1,725,505.67 | 1,404,447.01 | 321,058.66 |
| SFY10 | 2,462,827.92 | 127,388.62 | 2,656,497.96 |
| SFY11 | 2,877,846.67 | 589,401.74 | 4,944,942.89 |
| SFY12 | 3,467,955.96 | 1,856,814.71 | 6,556,084.14 |
| SFY13 | 3,122,198.81 | 2,721,643.07 | 6,956,639.88 |
| SFY14 | 3,273,051.91 | 3,964,254.20 | 6,265,437.59 |
| SFY15 | 3,479,090.63 | 3,183,500.92 | 6,561,027.30 |
| SFY16 | 3,427,185.01 | 2,691,172.61 | 7,297,039.70 |
| SFY17 | 3,532,426.83 | 3,541,037.95 | 7,288,428.58 |
| SFY18 | 3,914,003.82 | 5,090,673.08 | 6,111,759.32 |
| SFY19 | 3,947,054.17 | 5,711,383.04 | 4,347,430.45 |
| Total | 35,229,147.40 | 30,881,716.95 | |

Table 2. Health IT-Fund Projected Receipts, Expenditures, and Balance for SFY20

| HIT FUND PROJECTED EXPENDITURES FOR SFY20 | | | |
|---|--------------|--------------|------------|
| SFY | Receipts | Expenditures | Balance |
| SFY20 | 4,000,000.00 | 7,676,067.00 | 671,363.45 |



**AGENCY OF HUMAN SERVICES
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Figure 1. Health IT-Fund Receipts, Expenditures, and Balances and Projections through State Fiscal Year 2020, Based on Current Estimates



The State has leveraged the Health IT-Fund to match federal dollars through the federal HITECH Act, the State Innovation Model, and the Medicaid Global Commitment Waiver and significantly increased the impact of the Fund. The funding match rates range from 90% to less than 50% depending on the type of activity and who it ultimately benefits. Some activities, such as those related to the State Innovation Model and the Electronic Health Record Incentive Payment program, were 100% federally funded. Federal HITECH Act funding will expire in September 2021. The HITECH Act has allowed Vermont to accelerate health IT work through incentivizing the purchase of electronic health records, funding VITL for Health Information Exchange operations, and by enhancing technical infrastructure used by the Blueprint and the Department of Health. The Centers for Medicare and Medicaid Services (CMS) have indicated commitment to continuing their sponsorship of health IT/exchange efforts at the state level and recently released new guidance on how to leverage the Medicaid Enterprise Services (formerly, MMIS) funding stream to do so. The Department anticipates that CMS will continually release guidance and rules around how this funding can be used, which will likely impact the projects the State pursues.

EXAMPLES OF INITIATIVES FUNDED

The following are examples of major initiatives funded by the Health IT-Fund; Appendix I provides further details.



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DEPARTMENT OF VERMONT HEALTH ACCESS

The Medicaid Promoting Interoperability Program (formerly the Medicaid Electronic Health Record Incentive Program) –The HITECH Act funding supports activities of incentivizing Medicaid providers for the acquisition and meaningful use of electronic health record technology. The requirements are designed to support evolving electronic health record (EHR) quality measures focused on interoperability and improving provider and patient access to health information. Eligible hospitals and professionals who satisfy the criteria for attestation (meaning that they have met federal requirements) can receive incentive payments. Eligible hospitals may receive a total of three years of payments, based on a calculated amount derived from their Cost Data Reports. Eligible professionals may receive a maximum of six years of fixed payment amounts. The Vermont Medicaid Promoting Interoperability Program is supported by 90/10 funding from CMS, with the Health IT-Fund covering the 10% match for State program software, personnel, and operations. The incentive payments themselves are 100% federally funded but are drawn down and distributed by the State. In SFY19, these direct payments amounted to **\$1,782,161**. To date, this program has paid out approximately \$57,200,000 to Vermont and New Hampshire hospitals and professional providers, all of whom are registered Medicaid providers in Vermont. For more information about this program, visit: <http://healthdata.vermont.gov/ehrip>.

Vermont Information Technology Leaders (VITL) Health Information Exchange (HIE) – 18 V.S.A. § 9352 designates VITL, a private non-profit corporation, to exclusively operate the statewide Health Information Exchange (VHIE) for Vermont. The VHIE enables the exchange of clinical data from electronic health record systems. This data is used to support providers at the point of care and for population health measurement and analysis by third parties such as OneCare Vermont and the Blueprint for Health. Based on VITL's legislative authority and partnership status with the State, their funding is reviewed and renewed on an annual basis by DVHA as well as reviewed and approved by the Green Mountain Care Board. See Appendix I for a listing of the contracts supported by the Health IT-Fund, including DVHA's contracts with VITL.

Vermont Department of Health – The Health IT-Fund continues to support public health initiatives at the Vermont Department of Health, mainly in supporting public health registries such as the Immunization Registry, Cancer Registry and Birth & Death Registries, and in consulting services to further develop long-term strategy for health IT within the department. Projects include the development of an Electronic Laboratory Management System Web Portal, a forecasting solution for the Vermont Immunization Registry, and consulting services to advise on health informatics strategy for the Department of Health and beyond.



**AGENCY OF HUMAN SERVICES
DEPARTMENT OF VERMONT HEALTH ACCESS**

APPENDIX I: HEALTH IT-FUND INITIATIVES BUDGETED FOR FY19

| Grantees/ Contractors | FY19 Agreement Amounts | % of Agreement funded by the HIT Fund | Summary |
|---|------------------------------|--|--|
| Vermont Information Technology Leaders (VITL) | \$2,436,545.00 | 50% | Contract for core operations and management of Vermont's Health Information Exchange (VHIE) and related products and services. |
| Vermont Information Technology Leaders (VITL) | \$2,390,000.00 | 10% | Contract for VHIE development and expansion projects. This contract leveraged HITECH Act dollars. |
| Bi-State Primary Care Association | \$279,999.70 | 50% | Grant to provide health information technology data analysis, quality improvement, data quality, and project management support to Vermont Federally Qualified Health Centers. |
| Onpoint Health Data – Blueprint for Health | \$1,078,750.00 | 83% | Contract for analysis and reporting regarding healthcare spending, healthcare utilization, healthcare quality measurement, and healthcare outcomes (healthcare analytic services) for the Blueprint for Health program. |
| Cathedral Square Corp. – Blueprint for Health | \$205,000.00 | 83% | Grant to provide infrastructure and staffing for the Support and Services at Home (SASH) system as part of the Blueprint's electronic health IT infrastructure. |
| Capital Health Associates – Blueprint for Health | \$968,731.38 | 83% | Contract that provides data quality project management and consulting services to the currently ongoing statewide end-to-end data quality and transmission initiatives (Blueprint "Sprint"). Also supports on-going operations and maintenance of the VCR. |
| OneCare Vermont | \$3,250,000.00 | 10% | Federally matched funds included in DVHA's contract with OneCare Vermont used to support the development and roll-out of the Care Navigator care coordination platform. |
| Stone Environmental | \$45,000.00 | 83% | Contract for operations of a system used to validate criteria for designation as a Blueprint for Health provider. |



**AGENCY OF HUMAN SERVICES
DEPARTMENT OF VERMONT HEALTH ACCESS**

APPENDIX II: SUPPLEMENTAL INFORMATION FOR CONSIDERATION

1. In accordance with 18 V.S.A. § 9351, DVHA, with support from the Health Information Exchange Steering Committee, is developing the 2019-2020 statewide strategic health IT/exchange plan. The 2019-2020 plan, which will be submitted to the GMCB for review and approval by November 1, will include a 3-5-year technical investment strategy. The State, in collaboration with its partners, is committed to aligning investments with the statewide strategic plan.

2. Act 53 of 2019 changes Vermont's current opt-in consent policy to an opt-out policy, effective March 1, 2020. An opt-out consent policy more closely aligns with nationwide best practice. DVHA, in partnership with the HIE Steering Committee, is working on the development of an implementation plan for the policy. The State has made significant progress in the development of this plan, and a report was provided to the House Committee on Health Care, Senate Committee on Health and Welfare, and Health Reform Oversight Committee on 8/1/2019 and presented to the Green Mountain Care Board on 8/7/2019. The [progress report on the stakeholder engagement process and consent policy implementation strategy](#) highlights significant workstreams and provides high-level implementation plan details.



**AGENCY OF HUMAN SERVICES
DEPARTMENT OF VERMONT HEALTH ACCESS**

Report to
The Vermont Legislature

GENERAL ASSISTANCE REPORT
In Accordance with 33 V.S.A. 2115

Submitted to: House Committee on Appropriations
House Committee on General, Housing and Military
House Human Services
Senate Committee on Appropriations
Senate Committee on Health and Welfare

Submitted by: Ken Schatz, Commissioner, Department for Children and Families

Prepared by: Geoffrey Pippenger, Economic Services Division

Report Date: September 1, 2019



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Executive Summary

Vermont continues to grapple with many difficult issues around housing and homelessness – longer stays in shelters, scarcity of affordable housing where rental subsidies may be used, and limited availability of support services to pair with federal vouchers, as examples. The General and Emergency Assistance (GA) program is the program of last resort and sees the impact of these issues by increased utilization across all areas of need.

Over the last four years, we have seen continued success of the GA Community Investments as alternatives to the motel voucher program. However, GA Emergency Housing via motels remains a pressure point as the numbers of Vermonters experiencing homelessness and the duration of their homelessness is increasing. Unduplicated households accessing the motel voucher program have increased approximately 6% and length of stay has increased approximately 37% relative to the previous fiscal year. Historically, the GA emergency housing budget has not been funded at a level sufficient to meet the needs of vulnerable Vermonters. Last year that need exceeded the legislative appropriation by over \$2 million. This continues to challenge the Department's ability to meet the needs of Vermonters with housing crises while staying within the budgetary authority. A bright spot for the program has been the process used to move the GA Program Restructure initiative forward.

Evaluation of GA Program during FY19

Administered by the Economic Services Division (ESD) within the Department for Children and Families (DCF), the General Assistance Program (GA) is an emergency financial assistance program providing the basic necessities of life when those needs cannot be met by any other assistance program within DCF. Within the constellation of social safety nets administered by DCF, GA is designed to serve as the State's program of last resort. In this regard, it remains an important service to Vermonters as well as a key component of Vermont's system of care.

The GA Program offers emergency benefits in three areas of need: personal needs, support services, and emergency housing. "Personal needs" includes a small cash benefit intended to supplement 3SquaresVT and a small rent benefit. "Support Services" includes an array of emergency medical benefits; limited, emergency dental; current utility bill assistance; and burial benefits. "Emergency Housing" refers to the GA motel voucher program.

The GA program continues to face challenging budgetary and utilization demands. Pressure points include:

- *Support Services:* As with FY18, the GA Burial benefit continues to experience high utilization. In FY19, the Burial line of the GA budget exceeded the working budget by approximately \$200,000. Despite the overall continued pressure this represents, the volume of applications and the spend are on par with FY18. ESD received 564 applications for burial benefits in FY18, and 569 in FY19. This leveling, even for one year, represents a shift from the three years of increased utilization and expenditure we had previously seen.
- *Emergency Housing:* Over the past three fiscal years, utilization of the GA emergency housing program (under various eligibility: Vulnerable Population, Catastrophic, and Adverse Weather

Conditions) has seen a steady upward trend in the numbers of households and applications for the program. Significantly, the statewide number of unduplicated households accessing the motel voucher program increased approximately 6% relative to last fiscal year, and the number of unduplicated nights increased approximately 37%. As noted above, the current emergency housing budget has been insufficient to meet the need in average years, let alone in high utilization years such as FY19. Accordingly, we saw significant increases in the amount spent on the motel voucher program in FY19.

The increases in the aggregate data are concerning. More analysis and conversations with community partners are critical to better understand the complex factors driving increased utilization of motel vouchers. Aggregate data should not be conflated with District Office level data. District Office data shows different trends in different communities. While some localities may see marked rises in motel voucher utilization, other Districts have held steady or seen decreases. Where spending has held steady or decreased it has been in communities with significant GA Community Investments (e.g., seasonal shelters, DV motel pools, etc.) and/or strong, intentional coordination through the local homeless Continuum of Care. It is notable that all communities are experiencing a strain on their services and supports for Vermonters experiencing homelessness. The General Assistance program information, in combination with shelter usage data, paints a more accurate picture of how those services are being utilized.

| Statewide 3 Year Comparison SFY2017 - SFY2019 | | | | | | | | | | | | | |
|---|----------------------|----------|------------|--------------|-------|-----------|-----|---------|----------|-------|-----|-------------|----------|
| July - June | | | | | | | | | | | | | |
| Household Grants Unduplicated | | | | | | | | | | | | | |
| | | | | Catastrophic | | Auto Vuln | | | | | | | |
| July '18 - June '19 | # Households Granted | # Adults | # Children | DV | Other | 65+ | SSI | Under 6 | Preg 3rd | Other | AWC | # HP Nights | # Nights |
| TOTALS | 2503 | 2685 | 1306 | 593 | 389 | 18 | 460 | 211 | 9 | 14 | 809 | 9411 | 58803 |
| July '17 - June '18 | # Households Granted | # Adults | # Children | DV | Other | 65+ | SSI | Under 6 | Preg 3rd | Other | AWC | # HP Nights | # Nights |
| TOTALS | 2362 | 2694 | 1273 | 510 | 254 | 14 | 435 | 202 | 9 | 20 | 918 | 9571 | 43066 |
| July '16 - June '17 | # Households Granted | # Adults | # Children | DV | Other | 65+ | SSI | Under 6 | Preg 3rd | Other | AWC | # HP Nights | # Nights |
| TOTALS | 2280 | 2526 | 1182 | 594 | 200 | 12 | 429 | 209 | 8 | 12 | 816 | 10057 | 38279 |

| GA Temp Housing | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---------------------------------------|---------|---------|---------|---------|
| # Applications | 13,262 | 15,084 | 17,882 | 20,673 |
| # Applications Granted | 8,697 | 10,082 | 11,781 | 13,879 |
| Unduplicated Utilization by Household | 2,117 | 2,280 | 2,362 | 2503 |

As explained in previous legislative reports, the shift in 2015 by DCF to increase GA program investments into community-based initiatives has been a successful part of an otherwise challenged delivery system. These GA Community Investments provide funding to community providers who implement flexible, community-based alternatives to the motel voucher system. These projects serve clients in need of emergency housing and contribute towards a reduction in motel spending by the State.

| FY19 GA Community Investments | | | | |
|-------------------------------|---------------------------------------|---|--|----------------|
| AHS District | # Years of GA Funding | Organization | Description | TOTAL GA AWARD |
| Barre | 4, with 2 years expansion | Good Samaritan Haven | Operation of seasonal warming shelters for adults in Barre (14 beds) and Montpelier (20 beds) from November to April, and staffing including seasonal shelter coordinator, overnight staff and a contracted mental health clinician. | \$ 332,303 |
| Barre | 4 | Capstone Community Action | 6 units with 2 bedrooms each of emergency apartments for families with services. | \$ 137,309 |
| Bennington | 3 | Bennington County Coalition for the Homeless | Operation of expanded emergency shelter at 966 Main with paid overnight staffing. | \$ 75,000 |
| Bennington | 3 | Project Against Violent Encounters (PAVE) | Operation of year-round shelter with capacity of 5 rooms for families. Funds for overflow motel vouchers, and services to meet the full emergency shelter need for all persons fleeing domestic/sexual violence in the district. | \$ 68,612 |
| Brattleboro | 4, with 2 years expansion | Groundworks Collaborative | Shelter operation, services and overnight staff for seasonal warming shelter in Brattleboro (November – April) with capacity of 33 beds for adults. | \$ 143,000 |
| Brattleboro | 4 | Southeastern Vermont Community Action (SEVCA) | Motel-based housing specialist providing housing support services. | \$ 30,000 |
| Brattleboro | 4 | Women's Freedom Center | Operation of a new 6 room emergency shelter, funds for overflow motel vouchers, and services to meet the full emergency shelter need for all persons fleeing domestic/sexual violence in the district. | \$ 198,439 |
| Burlington | 1 | Committee on Temporary Shelter (COTS) | Additional seasonal shelter overnight staff at the Waystation. | \$ 32,000 |
| Burlington | 3 | Champlain Valley Office of Economic Opportunity (CVOEO) | Operation of a very short-term overflow shelter during extreme cold weather conditions | \$ 10,000 |
| Burlington | 3, prior year project was with COTS | Community Health Centers of Burlington - Safe Harbor | Shelter operation and essential services for seasonal warming shelter in Burlington (November – April) with capacity of 37 beds for adults | \$ 287,885 |
| Hartford | 4, with scope change for last 2 years | Upper Valley Haven | Operation of seasonal shelter with 15 beds for adults. | \$ 55,000 |
| Middlebury | 4 | Charter House Coalition | Operation of seasonal shelter in Middlebury (November – April) with capacity of 5 rooms for families. | \$ 26,000 |
| Middlebury | 4 | John Graham Housing & Services | 2 units with 2 bedrooms each of emergency shelter in Addison County for families (including those fleeing domestic/sexual violence). | \$ 22,200 |
| Morrisville | 1 | Lamoille Community House | Operation of seasonal shelter for adults in Lamoille County (12 beds), and capital funds to support facility renovation. | \$ 101,420 |
| Rutland | 3 | BROC Community Action in Southwestern Vermont | Operation of a very short-term overflow shelter during extreme cold weather conditions. | \$ 10,000 |
| Rutland | 3 | NewStory Center | Support for increased shelter capacity (4 rooms/8 beds), funds for overflow motel vouchers, and services to meet the full emergency shelter need for all persons fleeing domestic/sexual violence in the district. | \$ 375,000 |
| St. Johnsbury | 4 | Northeast Kingdom Community Action (NEKCA) | Operation of a seasonal warming shelter in St. Johnsbury (November – April) with a capacity of 10 beds. | \$ 88,888 |
| TOTAL | | | | \$ 1,993,056 |

Since implementation of this model, the DCF Housing Team has seen marked success by many projects. Seasonal warming shelters are an effective use of GA emergency housing funds in many regions. This model can provide more cost-effective emergency housing and a critical service connection for clients. In FY19, GA funds supported seasonal warming shelters in Brattleboro, Burlington, Barre, Middlebury, Hartford, Hyde Park, and St. Johnsbury. However, it is important to note that a seasonal warming shelter is not the appropriate approach to addressing homelessness in all communities nor for all people experiencing homelessness, especially families with children and/or those fleeing domestic or sexual violence. Additionally, the success of reducing motel utilization through these community partners does not speak to the growing operational challenges that shelter providers report when serving individuals and families with complicated co-occurring mental health and substance use challenges.

Likewise, we have seen excellent results from GA Community Investments operated by domestic violence advocate organizations. NewStory Center in Rutland, Women's Freedom Center in Brattleboro, and PAVE in Bennington all operated models in which they, as the community partner, manage additional shelter capacity and operate their own motel pool for shelter overflow. Notably, these community investments reduced the length of stay relative to the GA motel voucher system while also providing more comprehensive supports for clients. We strongly encourage continued replication of these models as funding allows and are working with partner organizations across the state to determine what models might work well in those other communities.

Recommendations for Changes to the Program

In the FY18 GA Report, DCF noted that an initiative to Restructure the GA Program had been underway. The goal of that undertaking is to design and implement an intentional program that builds on behavioral science to provide a program that is simpler for clients to understand and access, and for ESD District Office staff to administer. DCF proposed to do this by eliminating the overly complicated parts of the current program; providing support and benefits that actively help clients; respecting the limited bandwidths of clients and staff; and exercising fiscal responsibility.

DCF is still pursuing the GA Restructure and much headway has been made in terms of the proposed framework and considerations for operationalizing a new program structure. Because of the scope and scale of this change, we are focused on a design process that is intentional and transparent. DCF has been diligent in working with community stakeholders during this process. This has included conversations with client focus groups in all 12 ESD District Office service regions, ESD District Office staff, community service providers and advocates across the state, extended provider networks through regional presentations, and staff across the Agency of Human Services. Stakeholder conversations have provided invaluable feedback as DCF continues to evaluate how to implement this restructure.

It has become clear during our work with stakeholders, clients, and staff that the most direct way to confront the challenge is moving away from a reliance on the motel voucher program and towards community-based responses to the housing crisis. In doing so, DCF could shift the entirety of the GA emergency housing budget to communities for the identification and implementation of local crisis responses for emergency housing needs. This shift would allow the State to serve as an active facilitator of community conversations and plans – providing supports and technical assistance in addition to flexible funding. It also would offer service providers greater opportunity to implement programs that address the unique housing needs in their communities.

Plan for Continued Implementation of the Program

While the GA Restructure is a work in progress, ESD continues to operate GA consistent within current rules and procedures. The day-to-day implementation of the program is undertaken through a lens of continuous quality improvement, searching for ways to improve the program's offerings in the current framework while also looking at the bigger picture of the future. ESD is moving forward with utilizing the Homeless Management Information System (HMIS) administered by the Institute for Community Alliances (ICA) and used by Vermont's Continua of Care. We expect to be shifting to this system in the First Quarter of FY20.

Emergency Housing Data Collection Processes

The 12 ESD district offices collect the following data daily and submit a weekly spreadsheet to ESD central office for a monthly and year-to-date statewide compilation:

- Total number of emergency housing requests
- Emergency housing requests granted/denied
- Number of singles granted/denied housing
- Number of families granted/denied housing
- Number of adults and children in households requesting and granted housing
- Number of eligible catastrophic requests/number granted
- Number of categorically-eligible vulnerable population requests/number granted
- Number of eligible vulnerable points requests/number granted
- Total number of nights authorized/average cost per night/total cost for authorized nights
- Number of Adverse Weather Condition (AWC) grants/number of adults granted under AWC/number of children granted under AWC
- Number of AWC nights authorized/average cost per night/total cost for CWE nights authorized

The above data are collected manually in the district and central offices because DCF's ACCESS system is not designed to collect this data. Payments for emergency housing are made based on motel billing through ESD authorization forms. Once billing is received from a motel by ESD, the local district office authorizes payment through the ACCESS system which generates payment to the motel. The DCF Business Office generates a monthly report reflecting all payments made for emergency housing.

Over the course of FY19, ESD has been pursuing entrance into HMIS. VT HMIS is the statewide data collection and storage tool for client-level data and services to households experiencing or at risk of experiencing homelessness. The Agency and Department have directed ESD to use the Vermont HMIS system mandated by the U.S. Department of Housing and Urban Development (HUD) and implemented by both Continua of Care in Vermont.¹

¹ There are two federal jurisdiction Homeless "Continua of Care (CoC)" in Vermont: the Vermont Coalition to End Homelessness (VCEH) and the Chittenden County Homeless Alliance (CCHA). These CoCs are a partnership of local service and shelter providers, housing providers, state agencies, etc. who work together to address homelessness at the local level. The CoCs also oversee federal homeless funding for their respective geographic areas.

Participation in HMIS will:

- 1) Provide more accurate data, a function critical for making informed policy and budgetary decisions;
- 2) benefit the Continuum of Care's statewide applications for competitive HUD funding; and
- 3) allow ESD to more productively participate in the statewide Coordinated Entry system of care and service provision.

Statistics and Data

A summary of emergency housing requests, including catastrophic and vulnerable populations, for the period of July 2018 to June 2019 follows:

- **20,672** emergency housing applications were received, of these:
 - **13,879** were granted; **6793** were denied.
 - **9636** household without children were granted; **5638** households without children were denied.
 - **4246** households with children were granted; **1156** households with children were denied.
 - **16,158 adults in households** were granted.
 - **7827 children in households** were granted.
 - **3667** applications were found eligible under the catastrophic criteria.
 - **2187** applications were found eligible under the vulnerable population criteria.
 - **42** applications were found eligible under vulnerable points.
- **43,629** bed nights were paid for at an average cost of **\$77.69/night**.
- **8,201** bed nights were contracted through Harbor Place.

Adverse Weather Conditions

Per the Commissioner's discretion and in current policy, Adverse Weather Conditions (AWC) exist between November and April when the ambient air or windchill temperature is less than 20 degrees Fahrenheit or the temperature is less than 32 degrees Fahrenheit with a greater than 50% chance of precipitation. The first AWC night for this period occurred on November 17. There were 124 AWC nights during the fiscal year – low ambient air temperature was the most prevalent factor followed by wind chill readings lower than 20 degrees Fahrenheit and then the chance of precipitation greater than 50% with a temperature less than 32 degrees Fahrenheit. This represents a decrease from FY18 which saw a total of 135 AWC nights. A little over one half of approved applications for emergency housing were done so under AWC.

Conclusion

Like last year, FY19 has been a critical year for the evolution of the GA Program. Although the current state rules are still in place, DCF and community partners have engaged in a tremendous amount of work regarding the Restructure initiative. Moving forward intentionally with the Restructure, in conversation with community partners, is critical to ensuring the transition of Vermont's program of last resort is executed thoughtfully, thoroughly, and with integrity. Continued fiscal pressures have caused challenges but those pressures yielded opportunities to dig into the Restructure process from a different perspective. This deeper dive enabled DCF to think critically and creatively about how to best modernize and improve the GA Program while being thoughtful about the significant stresses on the systems of care for homelessness and housing in Vermont.

The Department will be drafting and submitting new rules for the revamped GA Program in early 2020 with a target implementation on July 1, 2020. As GA Community Investments have proven successful at reducing reliance on motels, managing expenditures, and providing a more effective service delivery model, the Department anticipates strengthening this approach in providing emergency housing as part of the GA Restructure. More focus on these community investments will allow greater flexibility for service providers to implement programs that address the housing needs in their communities.

APPENDIX A: Aggregate GA Housing (July 2018 – June 2019)

Housing Applications

| Total # Housing Request | # Housing Requests Granted | # Housing Requests Denied | # Households without Children Granted | # Households without Children Denied | # Households with Children Granted | # Households with Children Denied | Total # Adults Granted | Total # Children Granted |
|-------------------------|----------------------------|---------------------------|---------------------------------------|--------------------------------------|------------------------------------|-----------------------------------|------------------------|--------------------------|
| 20,672 | 13,879 | 6,793 | 9,636 | 5,638 | 4,246 | 1,156 | 16,158 | 7,827 |

Granted Housing Categories

| # Catastrophic Grants | # Vulnerable Population Grants | # Vulnerable Points Grants | # Fair Hearing Officer Ordered Grants | # AWC Grants |
|-----------------------|--------------------------------|----------------------------|---------------------------------------|--------------|
| 3,667 | 2,187 | 42 | 0 | 7,983 |

Estimated Housing Costs

| # of Non AWC Uncontracted Nights Granted | Non AWC Average Cost Per Night | Non AWC Estimated Total Costs | # of AWC Uncontracted Nights Granted | AWC Average Cost Per Night | AWC Estimated Total Costs | Combined # Uncontracted Nights Granted | Combined Estimated Total Costs |
|--|--------------------------------|-------------------------------|--------------------------------------|----------------------------|---------------------------|--|--------------------------------|
| 43,629 | \$ 77.69 | \$3,307,235.56 | 16,228 | \$54.88 | \$883,000.68 | 59,857 | \$4,190,236.24 |

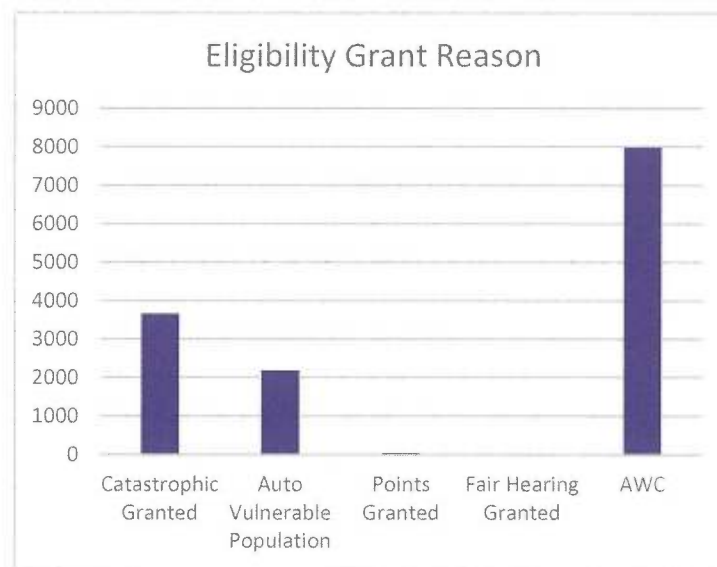
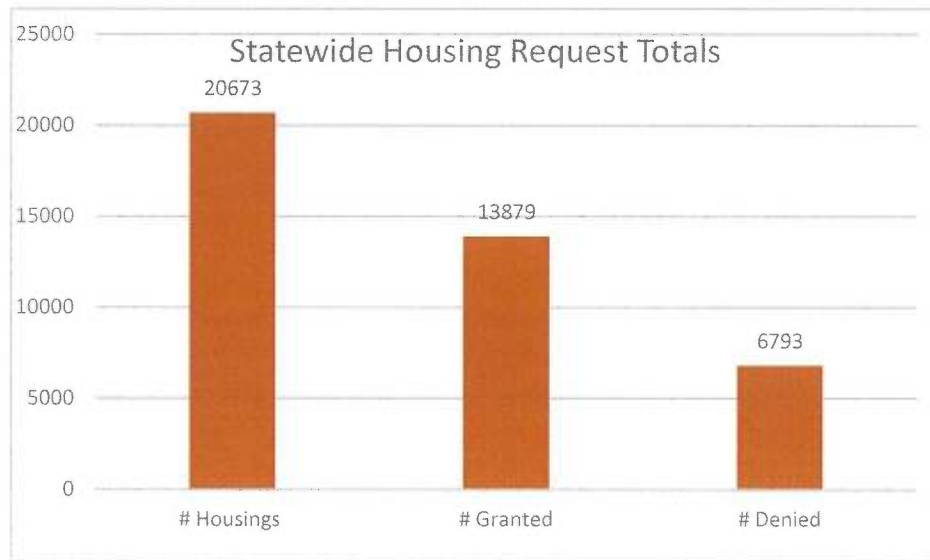
- Total # of Harbor Place Nights: 8,201
- Total # of AWC Harbor Place Nights: 1,186
- “uncontracted nights” denote those exclusive of the Harbor Place contract

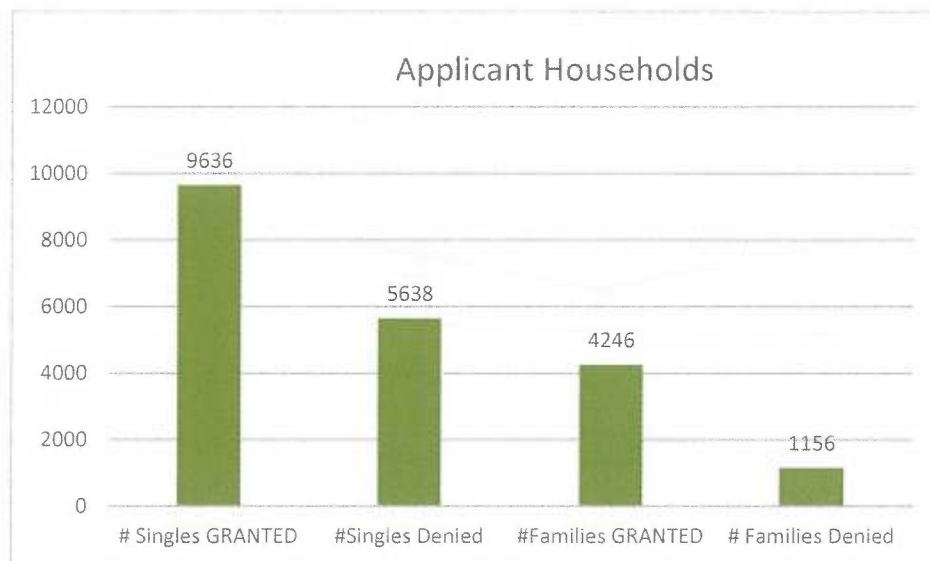
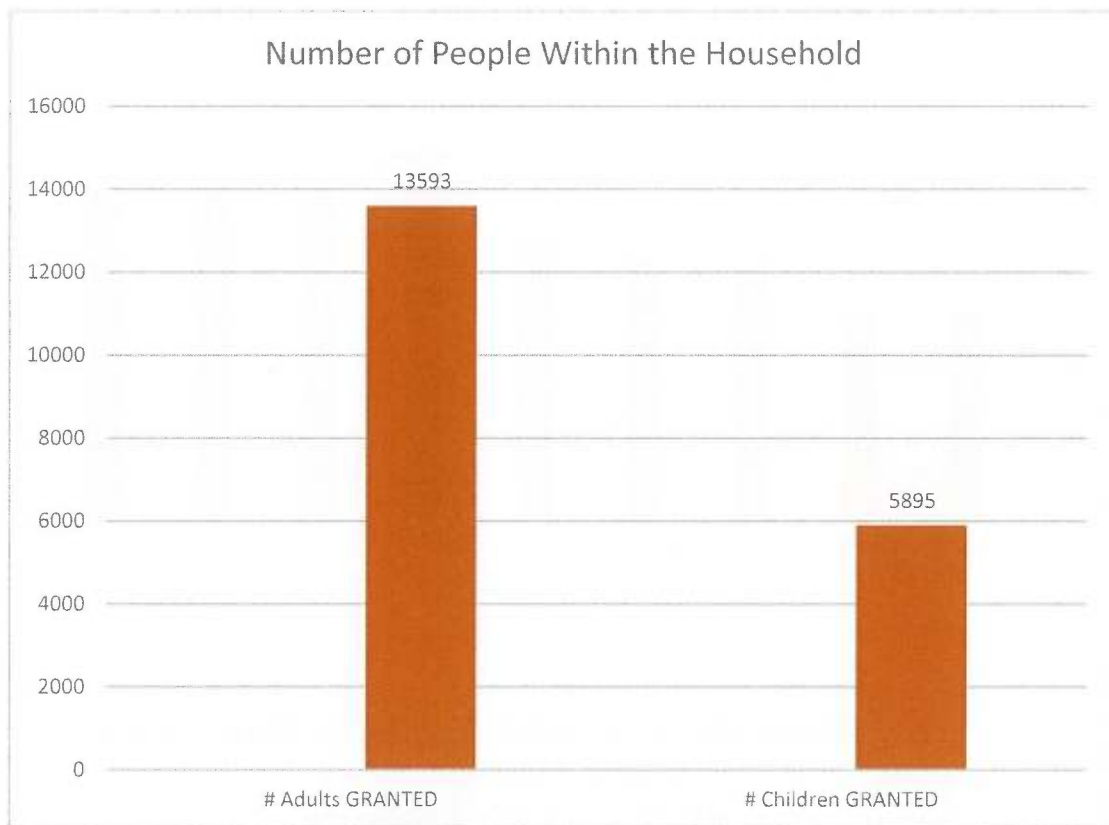
APPENDIX B: GA Housing Denial Data (July 2018 - June 2019)

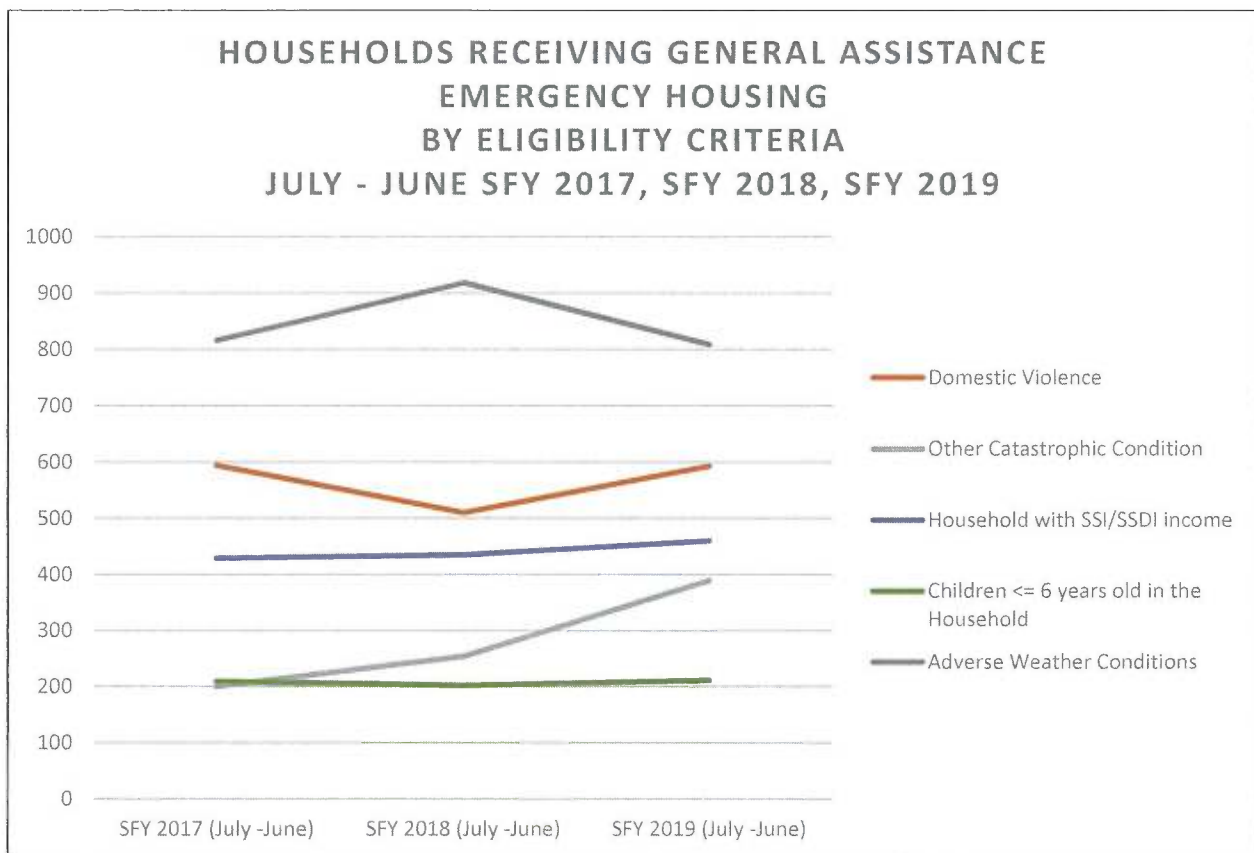
| July 2018 - June 2019 GAEA Denials | | | | | |
|------------------------------------|---------------------------|----------|----------------------------|---------------------------|---------|
| Total Denied Applications | | | | | |
| 6675 | | | | | |
| Households with Adults ONLY | | | Households with Child(ren) | | |
| | | | | | |
| | | | | | |
| Top 5 Denial Reasons | | | Top 5 Denial Reasons | | |
| 1 | Has Other Housing Options | 1793 32% | 1 | Has Other Housing Options | 385 34% |
| 2 | Ineligible | 1609 29% | 2 | Ineligible | 183 16% |
| 3 | Verification Required | 508 9% | 3 | Caused Homelessness | 132 12% |
| 4 | No Interview | 365 6% | 4 | Available Resources | 123 11% |
| 5 | Max Nights | 311 6% | 5 | Max Nights | 120 11% |

APPENDIX C: GA Housing Data Tables (Statewide: July 2018 – June 2019)

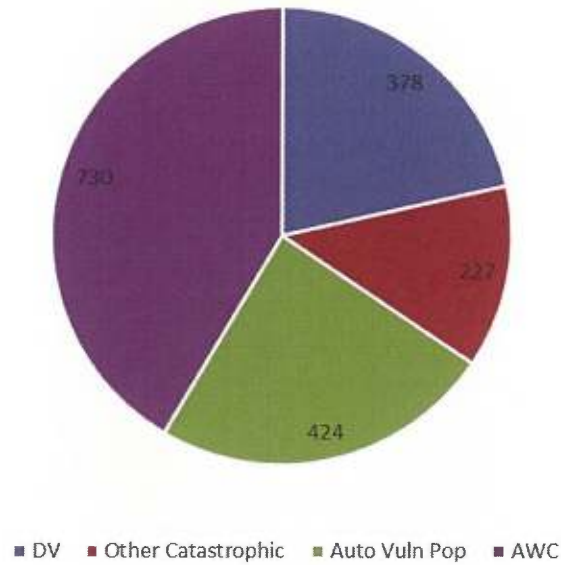
Statewide Temporary Housing Data for July 2018 – June 2019



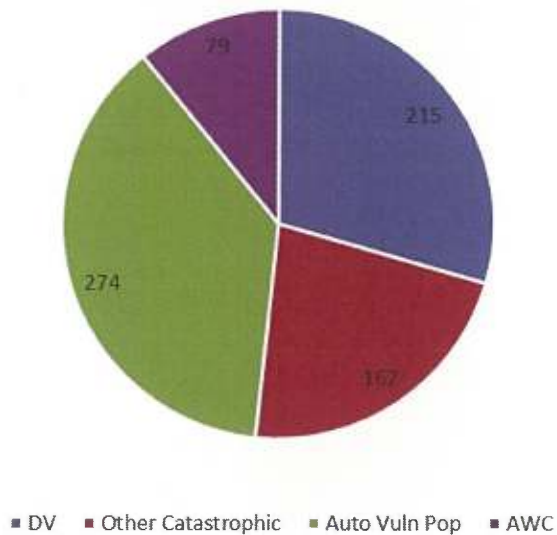




GA/EA Temporary Housing Unduplicated
Single Household Case Count



GA/EA Temporary Unduplicated Family
Household Case Count



APPENDIX D: Primary Stated Cause of Homelessness

[illegible]

2019

Report on Federal Funding Related to Water Quality Improvement Efforts in Vermont



August 30, 2019

Prepared for the Vermont General Assembly pursuant to 10 V.S.A. § 1389(a)(d)(3).



Report on Federal Funding Related to Water Quality Improvement Efforts in Vermont

August 30, 2019

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The Secretary of Administration appreciates the assistance received from staff at the Agencies of Natural Resources, Agriculture, Food and Markets and Transportation in the preparation of this report, as well as the collaboration from USDA's Natural Resources Conservation Service and Rural Development Agencies.

Cover Photos:

Top Left: Stabilized stream crossing and vegetated buffer, Courtesy of USDA NRCS
Top Right: Municipal wastewater treatment facility, Courtesy of Vermont DEC
Bottom Left: New barnyard feedlot structure and waste storage facility, Courtesy of USDA NRCS
Bottom Right: Restored wetland, Courtesy of USDA NRCS

Report on Federal Funding Related to Water Quality Improvement Efforts in Vermont

Introduction

This report fulfills the requirement contained in 10 V.S.A. §1389a(d)(3) :

(d)(3) On or before September 1 of each year, the Secretary of Administration shall submit to the Joint Fiscal Committee a report regarding the information required under subdivision (b)(5) of this section relating to available federal funding.

(b)(5) A summary of available federal funding related to, or for, water quality improvement efforts in the State.

The intent of this report is to better anticipate federal clean water funding to support Vermont's clean water improvement programs. It should be noted that an exact correlation between state and fiscal years is not possible, first because the state (SFY) and federal fiscal years (FFY) do not coincide; second, because some federal grants cross several state fiscal years; and third, because Congress has in recent years either not passed a budget bill, passed a budget late in the fiscal year, or passed appropriations to relevant Federal agencies at different times of the year (e.g., Farm Bill vs. Interior Appropriations Bill).

The federal fiscal year runs from October 1st to September 30th, while the state fiscal year runs from July 1st to June 30th. This report provides the best available estimates of FFY19 funding to be applied in SFY20, which should be considered the maximum likely values.

| | SFY17/FFY17 | SFY18/FFY18 | SFY19/FFY19 | SFY20/FFY20 |
|---------------------------|-----------------|-----------------|-----------------|-----------------|
| State Fiscal Year (SFY) | 7/1/16-6/30/17 | 7/1/17-6/30/18 | 7/1/18-6/30/19 | 7/1/19-6/30/20 |
| Federal Fiscal Year (FFY) | 10/1/16-9/30/17 | 10/1/17-9/30/18 | 10/1/18-9/30/19 | 10/1/19-9/30/20 |

Table 1 at the end of the report includes federal funding that passes through the state budget, as well as funding that passes outside the state budget, such as the U.S. Department of Agriculture's (USDA) Environmental Quality Incentives Program and USDA's Rural Development low-cost loan program for municipalities.

Vermont Agency of Agriculture, Food and Markets (AAFM)

The Vermont Agency of Agriculture, Food and Markets (AAFM) receives federal funds to support its engineering capacity from the following programs related to water quality:

- U.S. Environmental Protection Agency (U.S. EPA) Section 319 Nonpoint Source Grant passthrough from Agency of Natural Resources (ANR) to AAFM. Section 319 supports 2.3 full time equivalent (FTEs) positions within AAFM. The Section 319 program is described below under the ANR section of this report.
- U.S. Department of Agriculture (USDA) Natural Resources Conservation Services (NRCS) Strategic Watershed Action Teams (SWAT), a program that focuses on the most critical sub watersheds to accelerate agricultural best practices implementation. The program currently funds 50 percent of two FTEs.

The table at the end of this report has a complete list of federal programs that support agricultural water quality improvements and their funding levels for FFY19.

Vermont Agency of Natural Resources (ANR)

The Agency of Natural Resources Department of Environmental Conservation (DEC) administers and funds most of the state's environmental programs. In SFY20, DEC will receive 40.6 percent of its funding (\$42.4 million of its \$104.4 million budget) from federal sources, primarily from the U.S. EPA. Approximately \$20 million of these funds represent multiple grant awards for the Clean Water State Revolving Fund (CWSRF) and Drinking Water State Revolving Fund (DWSRF). In 2019, the federal government increased the FFY19 U.S. EPA award to DEC through the Lake Champlain Basin Program from \$4,046,724 to \$6,999,559. These SFY20 numbers reflect that increase.

Section 319 Nonpoint Source Grant

U.S. EPA's FFY19 Section 319 Nonpoint Source Grant (PPG319) application was for \$1,154,994 a slight decrease from last year's funding level of \$1,166,901. This funding represents approximately 5.2 percent of DEC's base federal funding of approximately \$22 million (excluding federal State Revolving Loan Fund Program).

The federal Clean Water Act Section 319 grant supports approximately 10 FTEs of DEC staff efforts to implement state clean water improvement projects. The grant focuses on addressing nonpoint source pollution – diffuse sources of water pollution caused by precipitation- or snowmelt-driven stormwater runoff from parking lots, roads and other hard surfaces and agricultural lands. Nonpoint source pollution is the leading cause of water use impairment to Vermont's surface water and ground water resources. Funding supports the implementation of the major nutrient TMDLs statewide, including the Lake Champlain TMDLs for phosphorus, the Lake Memphremagog TMDL for phosphorus, and the Long Island Sound/Connecticut River TMDL for nitrogen.

Pollution Control, Water Quality Monitoring (Section 106)

U.S. EPA's FFY19 Section 106 Water Quality Monitoring (PPG106) funds are \$1,020,265, a slight reduction from last year's report showing the FFY18 award of \$1,068,929. The FFY19 which represents approximately 4.6 percent of DEC's base federal funding of approximately \$22 million (excluding federal State Revolving Loan Fund Program).

The federal Clean Water Act Section 106 funds support staffing and related expenses to support statewide water quality monitoring and assessments to ensure that the state's surface waters – rivers, streams, lakes, ponds, and wetlands – are safe for public uses, and that municipally-operated wastewater control facilities and other dischargers into surface waters operate in a manner that maintains good water quality.

Lake Champlain Basin Program

U.S. EPA's FFY19 Lake Champlain Basin Program (LCBP) grant to DEC (on behalf of the State of Vermont) is \$6,999,559. Approximately \$6.25 million of the \$7 million FFY19 Lake Champlain Basin Program award will contribute directly to Lake Champlain TMDL implementation projects. DEC is responsible for overall grant administration and reporting, including direct project management of \$3,900,000. Note that of the total amount for FFY19, Department of Forests, Parks and Recreation (FPR) manages \$450,000 to support forestry accepted management practice implementation, Department of Fish and Wildlife (F&W) manages \$1,325,000 for wetland acquisition and restoration, and AAFM manages \$575,000 to support agricultural best management practice implementation and program development. The total

funding level for FFY19 represents a \$2,952,835 increase from FFY18 funding level of \$4,046,724. The amount for DEC represents approximately 32 percent of DEC's base federal funding of approximately \$22 million (excluding federal State Revolving Loan Fund Program).

This increase is a result of work by Vermont's federal congressional delegation to increase federal funding to support implementation of the Lake Champlain Phosphorus TMDL and will largely be used to fund initiatives related to stormwater management, agricultural stewardship, and natural resources restoration. The LCBP funds also support five FTEs within DEC for FFY19 and the long-term monitoring program in Lake Champlain. The long-term monitoring data are used to identify public health risks and to track progress in implementing the Lake Champlain Phosphorus TMDL. The LCBP also routinely issues grant and contract opportunities to support the implementation of the Lake Champlain Phosphorus TMDL and to complement DEC's water quality programs throughout the watershed.

Clean Water State Revolving Fund (CWSRF)

The CWSRF is a federal-state partnership to provide municipalities and private entities access to low-cost financing for water quality infrastructure projects. The FFY19 capitalization grant appropriation maintained the more than 21 percent increase provided in the previous year's appropriations. For Vermont, the FFY19 capitalization grant is \$7.779 million (a slight decrease from FFY18 of \$7.859 million). There is no change in the federal funding level for administration of Vermont's CWSRF program.

USDA Rural Development Program (USDA-RD)

The USDA-RD program focuses on helping rural communities (communities at or below 10,000 population) grow economically. USDA-RD offers these communities access to low-cost financing to support drinking water, wastewater treatment, and stormwater management. The USDA-RD program estimates up to \$25.8 million will be available to support water infrastructure in FFY19.

Vermont Agency of Transportation (VTrans)

Transportation Separate Storm Sewer System (TS4) Compliance

VTrans-managed state transportation highway network and associated non-highway transportation facilities are subject to a state DEC stormwater permit referred to as the TS4 Stormwater General Permit. VTrans uses state funds to leverage Federal Highway Administration (FHWA) Surface Transportation Block Grant (STBG) funds and Federal Aviation funds to support implementation of stormwater management and abatement practices for TS4 compliance. VTrans requests and receives Legislative approval annually for funding supporting its TS4 compliance efforts. These funds can be expended as stand-alone projects or can be used for these types of improvements as a component of other types of projects, which VTrans has routinely done. VTrans does not get any allocations of federal funds specifically for water quality improvement projects. Funds allocated and expended are at the discretion of VTrans and/or the Legislature. Funding levels noted in this report are estimates only.

Transportation Alternatives Program

The Transportation Alternatives Program is a federally funded program established through MAP-21 and signed into law in July 2012. MAP-21's replacement, the FAST ACT, continues funding for this program to support a variety of project types, including "any environmental mitigation activity, including pollution prevention and pollution abatement activities and mitigation to address stormwater management, control, and water pollution prevention or abatement related to highway construction or due to highway runoff." The Vermont Legislature directed VTrans to dedicate half of the available funding to

these types of projects in SFY17 and to use the full amount of available funding to these types of projects in SFY18 and SFY19. For SFY20 and SFY21 there is no mandated set-aside but municipalities may still apply for funding for these types of projects. Awards result in reimbursement grants that require 20 percent in matching funds from the grantee. Transportation Alternatives funds must be granted out to eligible entities and cannot be used to support VTrans operating costs.

Municipal Mitigation Assistance Program - Federal Highway Administration (FHWA) Surface Transportation Block Grant (STBG)

VTrans receives a set amount of STBG funds each federal fiscal year from FHWA. These funds are used for a variety of purposes, such as paving roads, rehabilitating or repairing bridges and improving infrastructure in downtowns. There is flexibility to use some of these funds for the activities described above in the Transportation Alternatives Program section, but at the expense of the other types of projects that VTrans funds. For SFY20, VTrans requested and received Legislative approval to utilize some of the FHWA STBG funds VTrans receives to grant out to municipalities. Awards result in reimbursement grants that require 20 percent in matching funds from the grantee.

Summary

Table 1 summarizes the estimated maximum federal funds available to Vermont relating to water quality and water infrastructure improvement.

Table 1: Summary of FFY19 Funding Related to Water Quality Improvements in Vermont

| Sector | Federal Agency | Program | Program Description | Lead State Agency | FFY17 Budget | FFY18 Budget | FFY19 Budget |
|----------------------------|----------------|---|--|-------------------|--------------|--------------|---------------------------|
| Agriculture | USDA NRCS | USDA NRCS SWAT Program | Federal share of state FTEs to support agricultural best practice implementation at targeted watersheds | AAFM* | \$46,963 | \$61,049 | \$68,372 ^a |
| Agriculture | USDA NRCS | Environmental Quality Incentives Program (EQIP) | Farm Bill program that supports conservation practices for water quality, soil health & ecosystem benefits | AAFM* | \$13,714,242 | \$13,882,226 | \$13,548,000 ^b |
| Agriculture | USDA NRCS | RCPP EQIP | Agricultural & forestry water quality improvement practices in Champlain Basin | DEC* | \$3,445,984 | \$1,507,553 | \$1,265,000 ^b |
| Agriculture | USDA NRCS | Agricultural Land Easements (ALE) | Farm Bill program to conserve priority agricultural land | AAFM* | \$2,777,500 | \$2,502,000 | \$3,291,000 ^b |
| Agriculture | USDA NRCS | RCPP ALE | Farm Bill program that focuses ALE in Champlain Basin | AAFM* | \$2,558,925 | \$1,182,500 | \$171,000 ^b |
| Agriculture | USDA NRCS | Wetlands Reserve Easements WRE | Farm Bill program to restore & conserve priority wetlands | DEC* | \$1,746,712 | \$153,032 | \$1,103,000 ^b |
| Agriculture | USDA NRCS | RCPP WRE | Farm Bill program that focuses WRE in Champlain Basin | DEC* | \$422,449 | \$234,167 | \$232,000 ^b |
| Agriculture | USDA NRCS | CREP | Farm Bill program that establishes landowner agreements to install woody vegetated buffers | AAFM* | \$445,449 | \$360,929 | \$382,343 ^c |
| All Sectors | US EPA | EPA Clean Water Act Section 319 | Nonpoint Source Pollution Reduction | DEC | \$1,180,793 | \$1,166,901 | \$1,154,994 |
| All Sectors | US EPA | EPA Clean Water Act Section 106 | Water Quality Monitoring & Assessment | DEC | \$1,114,980 | \$1,068,929 | \$1,020,265 |
| All Sectors | US EPA | EPA Lake Champlain Basin Program | Implementation of the Lake Champlain Management Plan | DEC | \$526,000 | \$4,046,724 | \$6,999,559 |
| Clean Water Infrastructure | US EPA | EPA Clean Water State Revolving Fund | Low-cost financing for water quality infrastructure projects | DEC | \$6,525,000 | \$7,859,000 | 7,779,000 |
| Clean Water Infrastructure | USDA-RD | USDA Rural Development | Low-cost financing for water quality infrastructure projects in rural communities (< 10,000 population) | DEC* | \$23,831,761 | \$20,000,000 | \$25,876,000 ^d |

| Sector | Federal Agency | Program | Program Description | Lead State Agency | FFY17 Budget | FFY18 Budget | FFY19 Budget |
|----------------|----------------|--|--|-------------------|---------------------------|---------------------------|--------------|
| Transportation | FHWA | TS4 Stormwater General Permit | Projects and maintenance practices to address TS4 compliance state highways and VTrans managed non-highway developed lands | VTrans** | \$3,200,000 | \$4,000,000 | \$4,000,000 |
| Transportation | FHWA | Transportation Alternatives | Variety of transportation projects that meet eligibility criteria, one of which is environmental mitigation | VTrans*** | \$1,100,000 | \$2,200,000 | \$2,200,000* |
| Transportation | FHWA | Municipal Mitigation Assistance - Surface Transportation Block Grant | Variety of transportation projects that meet eligibility criteria, one of which is environmental mitigation | VTrans*** | \$5,442,342 | \$5,442,342 | \$1,428,000 |
| TOTAL | | | | | \$68,079,100 ^f | \$65,667,352 ^f | \$70,518,533 |

State Lead Agency Footnotes

* Federal appropriations pass in whole or part outside of the state budget

** Federal funds shown are estimates only across multiple VTrans program areas and budgets.

*** Funds shown reflect the amount appropriated by the Legislature during each of the state fiscal years

Footnotes on dollar figures

a. 8/23/2019 – AAFFM total expenditures paid in FFY19 by SWAT grant.

b. 8/21/2019 – NRCS – O. Racicot for VAAFFM - Ryan Patch – numbers rounded to nearest \$1,000

c. 8/23/2019 – FSA – K. Peck for VAAFFM – Jeff Cook – The total Vermont FSA paid 10/1/18 through 8/23/18 for CRP and CREP, including annual rental payments for all contracts, cost-shares and incentive payments.

d. These figures comprise USDA RD planned spending for the federal fiscal year accounting for all water infrastructure projects, including wastewater, stormwater, and drinking water. It is not feasible to distinguish the relative proportions of each sector until that fiscal year is closed.

e. Depends upon the grant application

f. The 2017 and 2018 versions of this annual report series included errors in the Table 1 total sum of federal funds for FFY17-18. The FFY17-18 total sums have been corrected in this 2019 report.

Key to Abbreviations:

AAFFM: Vermont Agency of Food and Markets

ALE: Agricultural Land Easements

CREP: US Department of Agriculture Conservation Reserve Enhancement Program

DEC: Vermont Department of Environmental Protection

EPA: US Environmental Protection Agency

FTE: Full Time Equivalent; a staff position

FHWA: Federal Highway Administration

NRCS: USDA Natural Resources Conservation Service

RCPP: US Department of Agriculture Resource Conservation Performance Partnership

SWAT: USDA NRCS Strategic Watershed Action Team

TMDL: Total Maximum Daily Load

USDA: US Department of Agriculture

TS4: Transportation Separate Storm Sewer System stormwater general permit

VTrans: Vermont Transportation Agency
WRE: USDA Wetlands Reserve Program

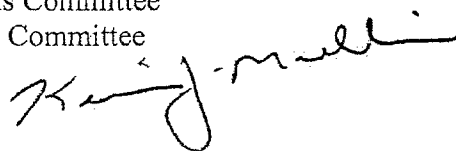
Green Mountain Care Board
144 State Street
Montpelier, VT 05602

[phone] 802-828-2177

Kevin Mullin, Chair
Jessica Holmes, Ph.D.
Robin Lunge, J.D., MHCD
Tom Pelham
Maureen Usifer
Susan J. Barrett, J.D., Executive Director

MEMORANDUM

TO: Senator Ann Cummings, Chair, Joint Fiscal Committee
Members of the Joint Fiscal Committee
Senator Jane Kitchel, Chair, Senate Appropriations Committee
Rep. Catherine Toll, Chair, House Appropriations Committee
FROM: Kevin Mullin, Chair, Green Mountain Care Board
DATE: September 13, 2019
RE: Legislative Report – Billback



In accordance with 18 V.S.A. Sec. 9374(h)(5)(A), please find the attached report submitted by the Green Mountain Care Board and the Department of Financial Regulation on the total amount of all expenses eligible for allocation pursuant to 18 V.S.A. § 9374(h) and the total amount actually billed back to regulated entities during state Fiscal Year 2019.





State of Vermont
Green Mountain Care Board
144 State Street
Montpelier VT 05602

Report to the Legislature

**REPORT ON THE TOTAL AMOUNT OF ALL EXPENSES ELIGIBLE
FOR ALLOCATION PURSUANT TO 18 V.S.A. § 9374(h) AND THE TOTAL
AMOUNT ACTUALLY BILLED BACK TO REGULATED ENTITIES
DURING STATE FISCAL YEAR 2019**

In accordance with 18 V.S.A. Sec. 9374(h)(5)(A)

*Submitted to the
House Committee on Appropriations; the Senate Committee on Appropriations;
and the Joint Fiscal Committee*

*Submitted by the
Green Mountain Care Board & the
Department of Financial Regulation*

September 15, 2019

Introduction

Title 18, section 9374 of the Vermont Statutes Annotated requires that the Green Mountain Care Board (Board) and the Vermont Department of Financial Regulation (Department) prepare a report showing “**the total amount of all expenses eligible for allocation pursuant to subsection (h) during the preceding State fiscal year and the total amount actually billed back to the regulated entities during the same period.**” The Board and the Department must submit this report annually on or before September 15 to the House and Senate Committees on Appropriations. *Id.* The Board and the Department must also provide this information to the Joint Fiscal Committee at its September meeting. 18 V.S.A. § 9374(h)(5)(B). The report is listed on the non-action portion of the Joint Fiscal Committee’s September meeting agenda, and is being submitted to satisfy that agenda item as well as 18 V.S.A. § 9374(h)(5)(B).

Background

In 1996, the Legislature first conferred billback authority to the Health Care Authority as a means of funding its duties and activities. When the Health Care Authority moved into the Vermont Department of Banking, Insurance, Securities and Health Care Administration (BISHCA), this authority was transferred to BISHCA (now the Department).

In 2012, the Legislature authorized the newly-formed Board to bill back to hospitals and insurance carriers the costs of certain activities related to health care system oversight. 2012, No. 171 (adj. sess.), § 5. The law provided that “[e]xpenses incurred to obtain information, analyze expenditures, review hospital budgets, and for any other contracts” that are authorized by either the Department or the Board would be borne according to the following allocation:

- 40 percent by the State;
- 15 percent by the hospitals;
- 15 percent by nonprofit hospital and medical service corporations;
- 15 percent by health insurance companies; and
- 15 percent by health maintenance organizations.

18 V.S.A. §§ 9374(h)(1), 9415(a) (2012). In other words, for each dollar that the State billed back pursuant to this statutory authority, the regulated entities, as a group, would pay 60 cents, with the State remaining responsible for the other 40 cents. The 60/40 allocation has not changed and remains in effect at present.

In a February 2013 report, the Board and the Department advised the Legislature that since the inception of the billback authority, the State had not billed back the full scope of expenses made eligible by the authorizing legislation; for example, in fiscal year 2013 (FY13), the Department and the Board billed back for \$395,117, although eligible regulatory activities exceeded \$3 million and the regulated entities’ full percent share would have been at least \$1.8 million. In response, the Legislature mandated annual reporting and gave the Board and the Department discretion over the scope and the amount of the billback. 2013, No. 79, §§ 37a - 37c. The Legislature also expanded the scope of the billback to include funding for the Office of the Health Care Advocate (HCA). *Id.* at § 37d. Finally, the Legislature required the Department to

transfer one position and its associated funding to the Department of Health for the purpose of administering the hospital community reports in 18 V.S.A. § 9405b and to continue to collect funds for the publication of these reports under its billback authority. *Id.* at § 50(c).

In 2015, the Legislature repealed the statute giving the Department billback authority, 18 V.S.A. § 9415, while leaving intact the Board's authority under 18 V.S.A. § 9374(h) to continue to utilize the 60/40 billback formula "if, in the Board's discretion, the expenses to be allocated are in the best interests of the regulated entities and of the State." 2015, No. 54, § 61.

Effective July 1, 2016, the Legislature established a specific allocation for the billback of expenses incurred by the HCA for services related to the Board's and the Department's regulatory and supervisory duties. 2016, No. 134, § 28. The allocation is as follows:

- 27.5 percent by the State from State monies;
- 24.2 percent by the hospitals;
- 24.2 percent by nonprofit hospital and medical service corporations licensed under chapters 123 and 125 of Title 8 of the Vermont statutes; and
- 24.2 percent by health insurance companies licensed under chapter 101 of Title 8.

18 V.S.A. § 9607(b)(1).

In 2017, the Legislature changed the allocation of the Board's billback to hospitals and insurance carriers "for fiscal year 2018 only." 2017, No. 73, § 15a. The law provided that eligible expenses would be borne:

- 40 percent by the State;
- 15 percent by the hospitals;
- 45 percent by nonprofit hospital and medical service corporations; health insurance companies; and health maintenance organizations.

As the fiscal year 2018 billback allocation change expired June 30, 2018, effective July 1, 2018 the Legislature amended Section 9374(h) of Title 18. The law authorized the Board to assess and collect from each regulated entity the actual costs incurred by the Board in carrying out its regulatory duties. It also changed the billback allocation of the Board's eligible expenses as follows:

- 40 percent by the State from State monies;
- 30 percent by the hospitals;
- 24 percent by nonprofit hospital and medical service corporations; health insurance companies; and health maintenance organizations;
- six percent by certified accountable care organizations.

2018, No. 167, § 17.

The Board deposits monies it receives from regulated entities in the Green Mountain Care Board Regulatory and Administrative Fund, which provides financial support for the Board's

operations. 18 V.S.A. § 9404(d). This special fund “may also be used by the Department of Health to administer its obligations, responsibilities, and duties as required by chapter 221 of [title 18],” and since the Department of Health assumed responsibility for hospital community reports in 2013, the Legislature has appropriated money from the fund to support this activity.¹ Because the Board does not include expenses incurred by the Department of Health in its annual billback, however, any continued appropriations to the Department of Health from the fund—absent a corresponding expansion in the scope of the billback authority—may eventually strain the fund.

Fiscal Year 2019 Billback

In FY19, the Board billed back approximately \$2,435,003, as shown in Appendix A of this report. This represented the FY19 budgeted billback less any adjustment required for prior year (FY18) actual versus budget. The FY19 net billback was \$140,157 below the FY18 net billback, which represents the Board’s commitment to controlling costs. Below, Tables 1, 2 and 3 show the breakdown among the hospitals, insurance companies, and the accountable care organization, that can be billed under 18 V.S.A. § 9374(h)(1).

Table 1: Hospital Assessment FY19

| HOSPITAL | Amount Billed |
|--|----------------------|
| Brattleboro Memorial Hospital | \$ 37,543.28 |
| Grace Cottage Hospital (Carlos Otis) | \$ 3,595.08 |
| Central Vermont Medical Center | \$ 99,504.18 |
| Copley Hospital | \$ 46,012.24 |
| Gifford Medical Center | \$ 28,278.10 |
| Mt Ascutney Hospital | \$ 9,554.72 |
| Northeastern Vermont Regional Hospital | \$ 33,658.66 |
| North Country Hospital | \$ 32,741.80 |
| Northwestern Medical Center | \$ 60,851.00 |
| Porter Medical Center | \$ 36,361.01 |
| Rutland Regional Medical Center | \$ 166,676.74 |
| Southwestern Vermont Medical Center | \$ 84,400.00 |
| Springfield Hospital | \$ 48,618.07 |
| University of Vermont Medical Center | \$ 470,232.04 |
| Total | \$ 1,158,027 |

¹ For example, the FY 2019 appropriation to the Department of Health (VDH) from the fund for the administration of the hospital community reports was \$88,000.

Table 2: Insurance Carrier Assessment FY19

| CARRIER | Amount Billed |
|--|----------------------|
| Blue Cross and Blue Shield of Vermont | \$ 808,606.97 |
| MVP Health Plan Inc | \$ 60,317.84 |
| MVP Health Insurance Company | \$ 84,296.96 |
| Cigna Health and Life Insurance Company/Connecticut General | \$ 23,020.51 |
| The Vermont Health Plan, LLC | \$ 49,321.32 |
| UnitedHealthcare Insurance Company | \$ 23,100.98 |
| Aetna Life Insurance Company | \$ 15,859.75 |
| State Farm Mutual Automobile Insurance Company | \$ 1,649.11 |
| 4 Ever Life Insurance Company | \$ 1,268.29 |
| United States Life Insurance Company in the City of New York | \$ 242.86 |
| Metropolitan Life Insurance Co | \$ 216.74 |
| Reserve National Insurance Company | \$ 170.21 |
| Unified Life Insurance Company | \$ 153.39 |
| New York Life Insurance Company | \$ 151.83 |
| Golden Rule Insurance Company | \$ 151.73 |
| The Prudential Insurance Company of America | \$ 151.66 |
| National Benefit Life Insurance Company | \$ 150.65 |
| Total | \$ 1,068,831 |

Table 3: Accountable Care Organization Assessment FY19

| ACO | Amount Billed |
|------------------|----------------------|
| One Care Vermont | \$ 208,145.39 |

In comparison to the \$2,435,003 billed back in FY19, the State billed back approximately \$395,000 in FY13, \$890,000 in FY14, \$1,474,300 in FY15, \$1,546,407 in FY16, \$1,560,353 in FY17, \$2,573,511 in FY18. The Board's approved FY20 budget includes a projected billback amount of \$5,274,540. *See* Appendix A, cell E21.

To place the FY19 figures in context, Appendix A breaks out the Board's total expenses by category, and for each category indicates the maximum amount eligible to be billed back under Vermont law. For example, of the \$3,570,726 that was budgeted for personal services in FY19, the Board determined that up to \$1,306,506 was eligible to be billed back under 18 V.S.A. § 9374(h). *See* Appendix A, cells C3, C5. The next three blocks of information present analogous information relative to operating expenses, grants, and contracts.

The final block in Appendix A (Personal Services, operating, grants, contracts), shows the maximum amounts that could have been billed to regulated entities under the statutory

60/40 formula, the amounts budgeted to be billed back, and the actual amounts billed back. As shown, the Board billed back \$2,435,003, or approximately 100 percent of the potential industry portion of \$3,692,775 less the \$1,257,772 adjustment for the previous year actual spend versus budget. *See* Appendix A, cells C20, C23, C24.

In addition, Appendix A shows that based on its approved FY20 budget, the Board projects it will bill industry \$5,274,540 in FY20.² *See* Appendix A, cell E21. This represents 100 percent of the potential industry portion. This is a marked increase from FY19 because prior to FY20 the Board received alternate funding from Special Funds, which included Global Commitment. For FY19, Global Commitment comprised 31% of the Board's total appropriation. 2018 Special Session, No. 11, § B.345. The Board's FY20 appropriation did not include any Global Commitment funds. 2019, No. 72, § B.345.

Both the budgeted FY20 increase and the increases in the amounts actually billed back to industry from FY13 to FY19 demonstrate the Board's commitment to utilize its billback authority consistent with legislative intent. While the Board acknowledges the need to defray certain categories of expenses through the billback function, however, it also acknowledges that it must utilize its discretion when appropriate to limit the burden on regulated entities, which ultimately pass these expenses on to Vermont health care consumers. The Board will continue its work to maximize funding from other sources when available, including federal grants, for activities that may otherwise be funded through the billback function. In other words, to the extent an expense eligible for billback is being funded through federal or other grants, the Board uses its discretion under 18 V.S.A. § 9374(h)(2) to exclude those dollars from the billback actually charged to industry.

² State Farm's ASSR information was not included in the original calculation for the FY 2019 Billback on March 21, 2019. After receiving State Farm's data, we re-ran the calculation and issued their invoice on May 1, 2019. This means the Board received \$1,649.11 more than it should have for FY 2019. Therefore, all other insurers will receive an adjustment in the FY20 BB for their share of the \$1,649.11.

APPENDIX A

To GMCB Fiscal Year (FY) 2019 Billback Report

Green Mountain Care Board

Kevin Mullin, Chair

9/15/2019

| | A | B | C | D | E |
|--|---|---|-------------------|-------------------|-----------------------|
| BILLBACK DETAIL | | | FY 2019 Budget | FY 2019 Actual | FY 2020 Projection |
| Total Expenses | | | \$ 9,335,997 | \$ 6,563,728 | \$ 9,325,076 |
| Personal Services | | | \$ 3,570,726 | \$ 3,312,645 | \$ 3,704,353 |
| Total Billback | | | \$ 2,398,879 | \$ 2,376,790 | \$ 3,704,353 |
| Industry Portion | | | \$ 1,306,506 | \$ 1,442,333 | \$ 2,259,655 |
| Operating | | | \$ 345,108 | \$ 310,763 | \$ 396,651 |
| Total Billback | | | \$ 224,545 | \$ 245,505 | \$ 396,651 |
| Industry Portion | | | \$ 164,880 | \$ 147,303 | \$ 229,913 |
| Contracts | | | \$ 5,419,353 | \$ 2,940,320 | \$ 5,224,072 |
| Gross Potential Billback | | | \$ 5,419,353 | \$ 2,940,320 | \$ 5,224,072 |
| Alternate Funding | | | \$(1,763,312) | \$(1,193,595) | \$ - |
| Net Potential Billback | | | \$ 3,656,041 | \$ 1,746,725 | \$ 5,224,072 |
| Total Billback | | | \$ 3,656,041 | \$ 1,746,725 | \$ 5,224,072 |
| Industry Portion | | | \$ 2,221,390 | \$ 1,048,035 | \$ 2,784,972 |
| Pers Services, operating, grants, contracts | | | | | |
| Total Net Potential Billback | | | \$ 6,279,465 | \$ 4,369,021 | \$ 9,325,076 |
| Potential Industry Billback | | | \$ 3,692,775 | \$ 2,637,671 | \$ 5,274,540 |
| Budgeted Industry Billback | | | \$ 3,692,775 | \$ 2,637,671 | \$ 5,274,540 |
| Adjustment for Previous Year Actual spend vs. Budget | | | \$(1,257,772) | | |
| Final billback | | | \$ 2,435,003 | \$ 2,637,671 | \$ 5,274,540 |
| Budgeted Industry Billback as % of Potential | | | 100% | 100% | 100% |
| Variance | | | \$ - | \$ - | \$ - |

Notes:

- These amounts may be adjusted if additional information becomes available.
- Budget FY19 reflects amounts billed to industry based upon budgeted plans. Adjustment for previous year (FY19) actual vs. budget will be made in FY20 billback.
- Actual FY19 Personal Services lower than budget due to vacancies. As of 9/1/19 all GMCB positions filled.
- Actual FY19 Contracts lower than budget primarily due to timing of VHCURES 3.0 contract.
- Effective FY20 the Board no longer has Global Commitment as an alternative funding source per 2019 Act 72.



State of Vermont

AGENCY OF HUMAN SERVICES

OFFICE OF THE SECRETARY

280 State Drive

Waterbury, Vermont 05671

TO: Joint Fiscal Committee

FROM: Martha Maksym, Acting Secretary, AHS *MM*
Sarah Clark, Chief Financial Officer, AHS *SC*

DATE: September 4, 2019

SUBJECT: Contingency Funding for the ACO Claims Tail

Section 63 of Act 6 of the 2019 Session authorized the Agency of Human Services to access up to \$7,840,000 from the Human Services Caseload Reserve should the budgeted amount in the Global Commitment appropriation in SFY19 not be sufficient to cover the one-time costs associated with the overlapping timing of Medicaid claims incurred prior to January 1, 2019 and prospective payments made to the Accountable Care Organization.

Pursuant to Sec. 63 requirements, and as indicated in the Medicaid year-end report¹, the Agency did not need to access the contingency funding. This claims tail was covered under existing appropriations and the Agency of Human Services did not need to access the Human Services Caseload Reserve in SFY19. The value of the ACO claims tail was \$13.8M gross.

Cc: Adam Greshin
Matt Riven
Sarah Clark

¹ [https://lifo.vermont.gov/assets/Meetings/Joint-Fiscal-Committee/2019-07-29/ae1e9d5070/2019 Medicaid Year End Report.pdf](https://lifo.vermont.gov/assets/Meetings/Joint-Fiscal-Committee/2019-07-29/ae1e9d5070/2019_Medicaid_Year_End_Report.pdf)

Previous Meeting Responses

DOUGLAS R. HOFFER
STATE AUDITOR



**STATE OF VERMONT
OFFICE OF THE STATE AUDITOR**

To: Senator Ann Cummings, Chair, Joint Fiscal Committee
Date: 2 September 2019
Re: VEPC & TIF: Addendum
Cc: House Ways & Means and Senate Finance Committees
House & Senate Appropriations Committees
House Commerce and Senate Economic Development Committees
House & Senate Government Operations Committees
Attorney General Thomas J. Donovan

As I mentioned in the accompanying memo, the issue of dueling legal opinions and VEPC's choices deserves additional attention. I hope this short memo is helpful in explaining what transpired.

Vermonters are aware that there are risks when public officials act as advocates for programs they are also charged with overseeing. Such conflicting roles can affect objectivity and influence decisions about how a program is administered – in fact or in perception. One example of this conflict is the State's promotion and oversight of the EB-5 program. Recent events concerning the State's Tax Increment Financing (TIF) program provide another.

Our recent compliance audit of the St. Albans TIF district found, among other things, that the city used \$1 million of borrowed money intended for infrastructure investments to pay the debt service on those very bonds. As a result, the City did not invest that \$1 million in infrastructure as required by statute, which represents a cost to taxpayers in other towns.

The city said the money was a "working capital reserve fund" intended to cover debt obligations before the TIF district generated enough new revenue to do so.

The statute seemed clear that this was not a permitted use of bonded debt for TIF towns, but we asked the Attorney General's (AG) Office to weigh in on the matter. The AG's opinion said unequivocally that TIF-related bond proceeds cannot be used for debt service. Accordingly, we recommended that the City "Repay the TIF Capital Projects Fund approximately \$1 million for the debt proceeds used for TIF district debt." In other words, that money should go to infrastructure investments aimed at attracting private development – not the principal and interest on the same debt.

St. Albans stated that it had acted on the advice of counsel, who acknowledged the plain language of the TIF statute but argued for an expansive reading, incorporating provisions of a different statute. St. Albans subsequently sought relief from VEPC as part of a "substantial change" request.

In response, VEPC said that it would consider the issue “from the perspectives of opinions issued by all relevant parties.”

This was a curious statement. First, among other things, the AG is the State’s attorney charged with interpreting Vermont law (3 VSA §159) to help the Executive Branch conduct its business; it’s not just one voice among many. Second, private attorneys don’t issue opinions in the public interest; they offer advice to self-interested clients, like the City of St. Albans. Third, interpreting statutes for compliance purposes is not analogous to a policy debate that requires input from affected parties who hold different values. The issue was not a matter of values but whether the law was followed.

A subsequent memo¹ to VEPC from the inhouse attorney at the Agency of Commerce & Community Development admitted that the TIF statute was more restrictive than other municipal statutes regarding uses of debt proceeds.

Nevertheless, instead of honoring the AG’s opinion, the Agency attorney determined that “broader consideration of tax statutes in Title 32 appears necessary” (emphasis added).

To support that assertion, the Agency’s attorney created a straw man, suggesting that towns need substantial cash in hand to meet debt service obligations before development generates new tax revenue to cover the debt. But this logic assumes that a town must pay principal and interest from day one. There is no such requirement, and towns are free to negotiate bond terms allowing for interest-only payments for the first few years. In addition, St. Albans could have paid for early debt service out of their own funds, as other towns have done.

The Agency’s attorney contended further that if a town put aside some money during the multi-year period of planning and approvals, it would make VEPC less likely to find that: “but for” TIF, the town “would not be able to undertake the proposed TIF District improvements.”

Thus, according to the Agency’s attorney, adhering to the statute and acting prudently might be fatal to an otherwise deserving community’s TIF application. This seems like a stretch. Establishing a modest reserve fund in advance is not the same as having the millions required for major infrastructure work.

On this rather thin foundation, the Agency attorney further suggests that the AGO’s “restricted view of TIF borrowing” limited to Title 24 “would not be without undesirable impact on the program.”

This characterization questions the competence of the AG’s reasoning (i.e., “restricted view”) and portrays Title 24 as lifeless on its own. The former is contradicted by the Agency attorney’s acknowledgment that the AG “dutifully applied accepted rules of statutory construction.” The latter only makes sense if we ignore the substance of the AG’s memo.

The AG makes clear that “the legislature intended to treat TIF bonds as a special category of debt subject to special rules...[and that this subchapter] is intended as an independent and comprehensive conferral of powers to accomplish the purposes set forth [in 24 V.S.A. § 1898(a)]” (emphasis added).

¹ <https://auditor.vermont.gov/sites/auditor/files/documents/John%20Kessler%20Advice%20to%20VEPC%20-%20MAY%202019%20-%20St.%20Albans%20Use%20of%20Debt%20Proceeds.pdf>

In the end, VEPC disregarded the AG's opinion and accepted the position first espoused by the City's attorney and later echoed by the Agency's attorney. On this basis, it approved the City's request to retroactively allow the use of TIF bond proceeds to pay debt. This effectively shifts all risk from the TIF towns that do this to the Education Fund and taxpayers from other towns.

The evidence suggests that VEPC chose to rely on the legal advice it needed to achieve a preferred outcome. And, it seems likely that it hoped to extend this authority to all TIF towns through rulemaking.

These events raise questions quite apart from the issues specific to the TIF program. The most important is the problem of conflicts for those charged with oversight of publicly funded programs. One need not question the good intentions of the responsible parties to accept the possibility that their eagerness to support the goals of the program may inadvertently compromise their objectivity and independence in overseeing it.

MEMORANDUM

TO: Joint Fiscal Committee

FROM: Sarah Squirrell, Commissioner, Department of Mental Health
Simone Rueschemeyer, Executive Director, Vermont Care Network/Vermont Care Partners

RE: Update on Electronic Health Record (EHR) Implementation

DATE: September 13, 2019

The purpose of this memorandum is to inform the Joint Fiscal Committee that, at the recommendation of the Joint Fiscal Office, the Agency of Human Services (AHS) and Vermont Care Partners (VCP) will provide a report back to the Committee in November to address the questions posed by the Committee regarding the Designated Agencies electronic health record (EHR) implementation.

The purpose of the report will be to respond in detail to the questions brought forth during the August meeting; including:

- Accountability & Project Management
- External Review Opportunities & Recommendations
- Connectivity to the Vermont Health Information Exchange
- Fiscal Considerations
 - Short term and long term

Dan Smith's assessment of the initial DA Electronic Health Record report submitted in August will guide and inform additional content for the report. In the meantime, Simone Rueschemeyer, ED of Vermont Care Network/Vermont Care Partners will be working with the Designated Agencies to develop a format for a quarterly report for review in November that will track implementation activity against expectations to support accountability for the investment of public funds.

We appreciate the interest and commitment of the Joint Fiscal Committee in improving the technological infrastructure of designated agencies which will promote quality of care and the ability to measure the value and effectiveness of our system of care.

If you have any questions in the meantime, please do not hesitate to contact us.



DOUGLAS R. HOFFER
STATE AUDITOR



STATE OF VERMONT
OFFICE OF THE STATE AUDITOR

To: Senator Ann Cummings, Chair, Joint Fiscal Committee
Date: 2 September 2019
Re: VEPC and TIF
Cc: House Ways & Means and Senate Finance Committees
House & Senate Appropriations Committees
House Commerce and Senate Economic Development Committees
House & Senate Government Operations Committees
Attorney General Thomas J. Donovan

As promised when I testified before the Joint Fiscal Committee on July 29, I want to offer additional information about a few issues arising from our audit of the St. Albans Tax Increment Financing (TIF) District and the subsequent actions by the Vermont Economic Progress Council.

A matter of compliance, not policy: Some have attempted to situate our audit report in a broader discussion of the value of TIF. But we did not issue a white paper on a matter of policy. We issued an audit report that evaluated compliance in accordance with statute and rules. And, while there are always different sides to a policy debate, there are no "sides" when auditing compliance. If the law is clear, as it was for the matter discussed below, it is a question of whether the law was followed or not.

Dueling Legal Opinions: Our audit report relied on an unambiguous legal opinion from the Attorney General's (AG) office regarding the use of bond proceeds to pay debt, and we recommended repayment of the funds. The City of St. Albans subsequently sought relief from VEPC as part of a "substantial change" request. VEPC disregarded the AG's opinion and approved the City's request to retroactively allow the use of bond proceeds to pay TIF debt. That is money St. Albans borrowed that was not used for TIF District investments to expand the grand list, but instead was used to pay principal and interest on the same borrowed money at the expense of the state Education Fund. Instead of relying on the AG, which said that was not a lawful use of TIF debt, VEPC relied on a memo from the in-house attorney for the Agency of Commerce and Community Development (ACCD).

The notion that opinions from ACCD's attorney or any other agency-based attorney carry the same weight as opinions from the Attorney General's office (AG) is problematic. The Legislature made it clear decades ago that the AG is the State's Attorney who is, among other things, responsible for legal opinions.

"The Attorney General shall advise the elective and appointive State officers on questions of law relating to their official duties and shall furnish a written opinion on such matters, when so requested." 3 V.S.A. § 159

Therefore, opinions from the AG are not just one voice among many. To rely on conflicting opinions from agency-based attorneys is contrary to statute and diminishes the stature of the AG, who is independent and is directly accountable to the people of Vermont.

Moreover, the idea that agency-based opinions are more authoritative than opinions from the AG encourages state entities to shop for legal opinions, which, as happened here, creates uncertainty and conflicts within state government.

A more detailed explication of VEPC's actions and the dueling legal opinions is contained in a second document accompanying this memo.

Unfounded Claim of Auditor Bias: The St. Albans City Manager has claimed that "the auditor's criticism stems from his philosophical opposition to TIF as an economic development instrument."¹

That is baseless and impugns the integrity of the work of my office.

I am not philosophically opposed to TIF. What I have said publicly is that it is very difficult to determine the return on investment from TIFs because the assertion that a particular development would not have occurred in Vermont at all "but for" the TIF program cannot be determined with certainty. The recent Joint Fiscal Office report arrived at the same conclusion.²

More importantly, there is no room for opinions in audits done according to Generally Accepted Government Auditing Standards (GAGAS), and these audits are subjected to a rigorous peer review. All findings and conclusions are backed by "sufficient and appropriate audit evidence."³ I invite you to review the workpapers from the St. Albans TIF audit at my office.

Finally, numerous TIF audits by the Vermont State Auditor's Office (SAO) were conducted before I took office, and compliance problems were identified in all of them.

For all of the above reasons, the argument that the compliance issues found in the St. Albans audit report reflects a bias on my part is either uninformed and/or an attempt to divert attention from the audit findings.

Conflicting Missions: VEPC is charged with administering the State's TIF program. This includes approval of TIF applications, rulemaking, oversight and enforcement of the towns' compliance with relevant statutes and rules. The statute does not charge VEPC with promoting or advocating the TIF program. Indeed, VEPC's statutory responsibilities require objectivity to ensure fairness in administration and oversight to protect the State's Education Fund and taxpayers. Recent events raise concerns about VEPC's objectivity.

¹ https://vtdigger.org/2019/08/21/legislatures-joint-fiscal-committee-seeks-to-sort-out-st-albans-tif-quarrel/?is_wppwa=true&wpappninja_cache=friendly

² See page 41. <https://ljfo.vermont.gov/assets/docs/reports/79f1f110da/Final-TIF-Report-January-24-2018.pdf>

³ SAO Performance Standards Manual 7.1.2.2b
<https://auditor.vermont.gov/sites/auditor/files/documents/PSM%20Version%203.0%20-%202008-01-19.pdf#page=89>

For example, VEPC's comments in response to the St. Albans TIF audit included this admonition:

*"[T]he Council believes that the tone of the audit report's current draft title does not embody a constructive approach...[and] encourages a negative perspective from the onset."*⁴

The report title is based on the audit findings and conclusions, as required by GAGAS. Additionally, compliance audits are intended to assist auditees by identifying areas of non-compliance, if any, and recommending corrective actions. Therefore, compliance audits are "constructive" by definition. The Council's statement shows a lack of understanding about the nature and purpose of a GAGAS audit and the independent role of the State Auditor's Office.

In addition, VEPC's concern about a "negative perspective" suggests apprehension about public perception rather than focusing on the substance of the audit findings.

VEPC's response to the audit also included a robust defense of the need for and performance of St. Albans' TIF district.⁵ This was curious because: 1) VEPC was not the auditee; 2) St. Albans submitted its own lengthy management comments; and 3) the District's performance was not at issue since we conducted a compliance audit, as required by statute.

VEPC's viewpoint mirrored that of St. Albans, which articulated a misguided view of the relationship between the parties.

*"Over the last five years, the City of St. Albans has formed a strong partnership with the State of Vermont through the Vermont Economic Progress Council."*⁶

VEPC used the same language in its management comments in response to the audit.

"VEPC has been reviewing all sections of the TIF Rule with the Tax Department's Property Valuation and Review staff. Once this initial review is complete, VEPC will engage the TIF Districts and other partners and go through the Rule Making process for public input and adoption" (emphasis added).⁷

VEPC's oversight and enforcement responsibilities require an arms-length relationship more akin to a regulator than an advocate. The accountability and transparency required for a public program to operate with integrity is compromised when an oversight body views itself as a partner that can interpret the laws and rules for the convenience of those that it oversees. One need not question the good intentions of the responsible parties to accept the possibility that their eagerness to support the goals of the program may inadvertently compromise their objectivity and independence in managing it.

⁴ See page 92. <https://auditor.vermont.gov/sites/auditor/files/documents/St.%20Albans%20TIF%20-%20Final%20Report%20with%20Bookmarks%20v.3.pdf>

⁵ See page 93. <https://auditor.vermont.gov/sites/auditor/files/documents/St.%20Albans%20TIF%20-%20Final%20Report%20with%20Bookmarks%20v.3.pdf>

⁶ Ibid. See page 70.

⁷ Ibid. See page 96.



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: Joint Fiscal Committee Members
From: Nolan Langweil
Date: July 30, 2019
Subject: Employer Assessment Quarterly FTE History

As requested during yesterday's Joint Fiscal Committee (JFC) meeting, below is a chart showing the quarterly uncovered full-time equivalents (FTEs) as reported by employers to the State as part of the employer assessment.

| QUARTERLY REPORTED FTEs FOR THE EMPLOYER ASSESSMENT & Change in reported FTEs from the previous fiscal year for the same quarter | | | | | | | | FISCAL YEAR AVERAGE | | |
|---|---------------|--------|----------------|--------|---------------|--------|---------------|------------------------|------------|-------|
| | Q2 (due 7/25) | | Q3 (due 10/25) | | Q4 (due 1/25) | | Q1 (due 4/25) | | Yr over Yr | |
| | Rpt FTEs | Growth | Rpt FTEs | Growth | Rpt FTEs | Growth | Rpt FTEs | Growth | FTEs | % Δ |
| FY'11 | 20,504 | | 23,451 | | 23,432 | | 21,023 | | 22,103 | |
| FY'12 | 22,828 | 11.3% | 26,043 | 11.1% | 24,872 | 6.1% | 23,454 | 11.6% | 24,299 | 9.9% |
| FY'13 | 23,709 | 3.9% | 26,121 | 0.3% | 25,838 | 3.9% | 25,321 | 8.0% | 25,247 | 3.9% |
| FY'14 | 25,980 | 9.6% | 28,225 | 8.1% | 27,740 | 7.4% | 26,753 | 5.7% | 27,175 | 7.6% |
| FY'15* | 28,851 | 11.1% | 31,570 | 11.9% | 31,245 | 12.6% | 28,261 | 5.6% | 29,982 | 10.3% |
| FY'16 | 29,442 | 2.0% | 32,650 | 3.4% | 31,876 | 2.0% | 28,162 | -0.4% | 30,533 | 1.8% |
| FY'17 | 29,545 | 0.3% | 34,669 | 6.2% | 30,789 | -3.4% | 30,116 | 6.9% | 31,280 | 2.4% |
| FY'18 | 31,043 | 5.1% | 33,786 | -2.5% | 30,959 | 0.6% | 29,225 | -3.0% | 31,253 | -0.1% |
| FY'19 | 29,150 | -6.1% | 31,708 | -6.2% | 29,906 | -3.4% | 28,838 | -1.3% | 29,901 | -4.3% |

* Note: In FY'15, employees with Medicaid coverage began being counted as uncovered FTEs.

Also, for reference, below are the annual employer assessment revenues, from the last 4 years.

| Employer Assessment Revenue | | | |
|-----------------------------|-------------------------|----------|-------|
| 2016 - 2019 | | | |
| | Revenue (x millions) | Diff | % Δ |
| 2016 | \$17.89 | \$2.01 | 13% |
| 2017 | \$19.16 | \$1.27 | 7% |
| 2018 | \$19.84 | \$0.68 | 4% |
| 2019 | \$19.75 | (\$0.09) | -0.5% |

MEMORANDUM

TO: Joint Fiscal Committee

FROM: Sarah Squirrell, Commissioner, Department of Mental Health
Simone Rueschemeyer, Executive Director, Vermont Care Network/Vermont Care Partners

RE: Update on Electronic Health Record (EHR) Implementation

DATE: September 13, 2019

The purpose of this memorandum is to inform the Joint Fiscal Committee that, at the recommendation of the Joint Fiscal Office, the Agency of Human Services (AHS) and Vermont Care Partners (VCP) will provide a report back to the Committee in November to address the questions posed by the Committee regarding the Designated Agencies electronic health record (EHR) implementation.

The purpose of the report will be to respond in detail to the questions brought forth during the August meeting; including:

- Accountability & Project Management
- External Review Opportunities & Recommendations
- Connectivity to the Vermont Health Information Exchange
- Fiscal Considerations
 - Short term and long term

Dan Smith's assessment of the initial DA Electronic Health Record report submitted in August will guide and inform additional content for the report. In the meantime, Simone Rueschemeyer, ED of Vermont Care Network/Vermont Care Partners will be working with the Designated Agencies to develop a format for a quarterly report for review in November that will track implementation activity against expectations to support accountability for the investment of public funds.

We appreciate the interest and commitment of the Joint Fiscal Committee in improving the technological infrastructure of designated agencies which will promote quality of care and the ability to measure the value and effectiveness of our system of care.

If you have any questions in the meantime, please do not hesitate to contact us.



IE&E NORTH STAR VISION

Eligible Vermonters have a simple and easy way to apply for, access, and maintain health care and financial benefits without coverage gaps. The State of Vermont delivers these services efficiently and sustainably, using innovative ways of working and modern technology.

IE&E PROGRESS SUMMARY

IE&E is on track to deliver its 2019 and 2020 commitments. While the cost of some of the individual projects were higher than initially estimated, overall spending remains within budget. IE&E has made the following progress since September 1st, 2019:

- The State successfully implemented a new document imaging and scanning system for Vermont Health Connect on September 13th and network performance issues were successfully resolved.
- The Centers for Medicare and Medicaid Services officially approved the new health care paper application.
- The SFY 2019 budget for IE&E closed having underspent available capital funds by approximately \$100,000. The State will continue to closely manage the IE&E program budget to ensure that expenditures do not exceed available funds.
- Outstanding defects in document uploader project have been addressed and the phased rollout of the product will begin on September 17th, 2019.

| Project | Original Target Delivery Date | Target Delivery Date | Project Performance | Original Estimated Project Spend | Current Projected Project Spend | Critical Issues/Updates |
|-------------------------------|-------------------------------|----------------------|---------------------|----------------------------------|---------------------------------|---|
| Health Care Paper Application | | 4/30/2019 | | \$300,000 | \$377,199.71 | Phased rollout in process |
| Enterprise Content Management | | 9/30/2019 | | \$855,278 | \$1,669,283.42 | Launched successfully on 9/13/19 |
| Business Intelligence | | 2/1/2020 | | \$2,889,605.00 | \$2,692,044.66 | State network issues largely resolved. Database build and testing |

| | | | | | | |
|----------------------|--|-----------|--|----------------------------------|----------------------------------|---|
| | | | | | | in progress |
| Document Uploader | | 10/1/2019 | | \$1,453,254.00 | \$2,973,254.00 | Phased rollout beginning 9/17 |
| CMS Mitigation Items | | Ongoing | | Embedded in DVHA operating costs | Embedded in DVHA operating costs | Fillable PDF for change of circumstance delivered |
| Online Application | | 6/30/2020 | | \$4,751,676 | TBD | Vendor selection in progress |
| Premium Processing | | 10/1/2020 | | \$4,128,000 | TBD | Vendor selection in progress |

IN FLIGHT PROJECT UPDATES

Health Care Paper Application (HCAU): The HCAU project is the design of a new user-friendly paper application that allows for Vermonters to apply for all health coverage programs at once. The final product was delivered in March and the project officially closed in April. The application was piloted with Vermont Legal Aid and several district offices and was officially approved by CMS in September. The State is in a phased implementation with roll out for all health care programs except Long-Term Care (LTC) to be complete in September 2019. LTC will be rolled out in 2020 once some additional business process improvements are made to ensure the unit can stay within its mandated processing timelines.

Enterprise Content Management (ECM): The ECM project is consolidating the scanning, indexing, and viewing of Vermonters' documents into one system that is already owned and maintained by the Agency of Digital Services. This will produce a more efficient workflow for staff and reduce the operating costs associated with Vermont Health Connect. The State received its go live approval from CMS security in August and launched successfully on September 13th. The State anticipates closing this project in early October.

Business Intelligence (BI): BI is the data reporting and analytics project that allows the State to transition from the expensive, standalone Oracle data warehouse leveraged by Vermont Health Connect, to a SQL data warehouse solution already owned and maintained by the Agency of Digital Services. This reporting component is crucial for functions such as the renewing of Vermonters' health coverage, sending of notices, production of required 1095 tax forms and sending required enrollment reports to CMS. The new warehouse was scheduled to go live in July, but persistent state network connectivity issues and challenges in building the

warehouse itself, have triggered contingency planning for maintenance and operations of the existing data warehouse through the 2019 open enrollment period for health care and to contract out for 1095/CMS enrollment reporting. The State is continuing to make progress on building the database and testing is in progress. The new target date for delivery is February 2020.

Document Uploader: The document uploader is the first phase of the new customer portal that will allow Vermonters to use mobile devices to submit verification documentation. It will also increase efficiency for staff as features are added, including the ability to scan documents directly into the enterprise content management system and to automatically index that document to a specific case. This project is now in a phased rollout and will include a roll out for the Aged, Blind, and Disabled programs and remaining district offices in September and Vermont Health Connect (VHC) in October of 2019.

CMS Mitigation Plan Items: Vermont has worked with CMS to identify several mitigation strategies designed to help the state achieve iterative progress in key areas of noncompliance in the Aged, Blind, and Disabled Medicaid (MABD) population. These include several milestones that the State must meet over the next 24 months. Vermont met its first milestone, with the launch of an online fillable PDF for change of circumstance reporting, on August 10th. The State is on track to meet its second milestone with the delivery an interim online application option for the MABD population in September of 2019.

Online Application: The online application project is phase 2 of the IE&E customer portal which will allow Vermonters to sign onto a single portal to apply for health coverage and financial program benefits. The goal is to launch the online application for health coverage programs in June of 2020 and for economic services programs in October of 2020. The procurement for this project is active and the product team expects to have a vendor on the ground in September.

Premium Processing: The goal of the premium processing project is to streamline the financial transactions and processes associated with the administration of health coverage programs as a part of the overall IE&E roadmap. Phase 1 will transition responsibility for Qualified Health Plan premium processing to insurance carriers for coverage starting 1/1/2021. This will allow the State to implement the manual processes and technology to accurately notice and terminate Medicaid enrollees for nonpayment of premium. The procurement for this project is active and the product team expects to have a vendor on the ground in September.

SEN. ANN CUMMINGS, CHAIR
REP. CATHERINE TOLL, VICE-CHAIR
REP. PETER FAGAN, CLERK
REP. JANET ANCEL
SEN. TIMOTHY ASHE



REP. MARY S. HOOPER
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REP. BILL LIPPERT
SEN. RICHARD SEARS
SEN. RICHARD WESTMAN

STATE OF VERMONT
GENERAL ASSEMBLY
LEGISLATIVE JOINT FISCAL COMMITTEE

Megan Sullivan, Executive Director
Vermont Economic Progress Council
One National Life Drive
Montpelier, Vermont 05620

August 1, 2019

Dear Ms. Sullivan,

As you are aware, in late May 2019, the State Auditor's Office (SAO) released its [audit findings of the St. Albans Tax Increment Financing \(TIF\) district](#), as required by 32 VSA §5404a.

At the July 29th Joint Fiscal Committee (Committee) meeting, State Auditor Hoffer presented some of the main findings of this report. In particular, the Committee was briefed on two areas identified by the audit where St. Albans may have used TIF funds inappropriately:

- 1) Whether St. Albans' use of TIF bond proceeds for debt service payments on outstanding TIF debt qualified as an appropriate use of TIF proceeds.
- 2) Whether St. Albans' direct payments to a private developer for real estate acquisition costs qualify as a "related cost" (as defined by 24 V.S.A. § 1891(6)) and therefore, are eligible uses of TIF funds.

It is the Committee's understanding that the Vermont Economic Progress Council (VEPC) is moving forward with a rule change that would approve of both these uses of TIF proceeds and is preparing to meet with city managers of TIF municipalities on August 8th to brief them on these changes.

The Committee is deeply concerned both by the findings of the State Auditor's report and VEPC's decision to move forward with these interpretations of statute and rule. These are significant policy decisions that the Committee believes should be made by the Legislature, not through rulemaking. The Committee views these changes to TIF rule as significant alterations to the program.

Furthermore, the Office of Legislative Council has raised some procedural concerns, namely whether VEPC's conclusions on the St. Albans TIF audit properly followed the oversight and enforcement procedures set forth in 32 V.S.A. 5404a(j) requiring the Secretary of Commerce and Community Development to issue a final written decision.

With several TIF districts early in their lifespans (South Burlington, Montpelier, Bennington, Burlington Downtown), it is important for the Legislature to properly consider major changes to the program before these municipalities begin using TIF bond proceeds. Furthermore, on the question of whether TIF bond proceeds can be used to service debt, there appears to be a difference in legal opinion between the Attorney General's Office (AGO) and VEPC's legal counsel¹. In their memo to the SAO, the AGO stated "the statutes do not allow bond proceeds to be used [to pay debt service]²."

¹ As noted in the [minutes of VEPC's July 11 meeting](#).

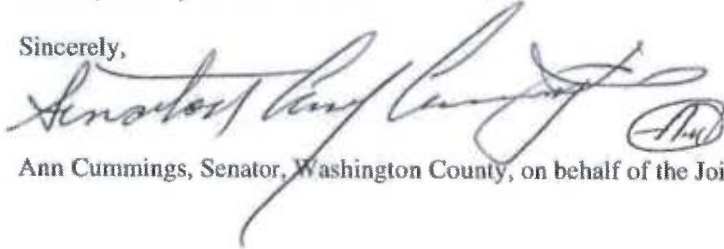
² Page 69 in the Appendix of the SAO report.

Because of the significance of these changes, the procedural questions, and the potential difference in legal opinions, the Committee requests that VEPC delay further action on these rule changes and guidance to municipalities on TIF until the Legislature has had time to consider them fully.

The Committee recognizes that TIF is an important tool in advancing the State's and municipalities economic development goals. At the same time, we understand that TIF is extraordinarily complex to administer which is why statute requires the State Auditor to conduct periodic audits. Therefore, it is imperative that statute and rules are clear so that the program is functioning the way the Legislature intended.

Thank you for your consideration.

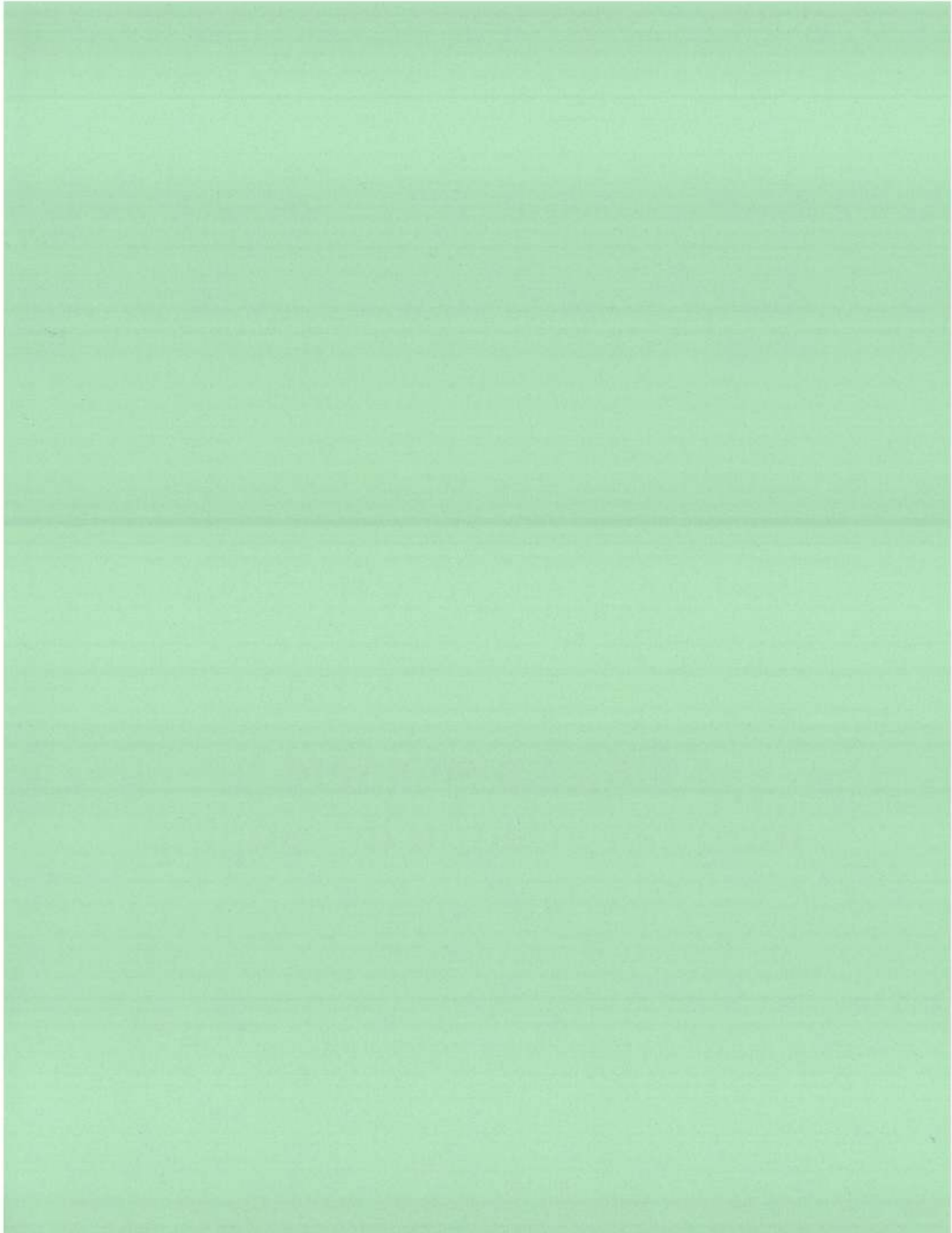
Sincerely,

A handwritten signature in dark ink, appearing to read "Ann Cummings", with a stylized flourish at the end.

Ann Cummings, Senator, Washington County, on behalf of the Joint Fiscal Committee

CC: T.J. Donovan, Attorney General
Douglas Hoffer, State Auditor

Follow-up information from
previous meeting



| | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------|--|---|--------|---|-----|------------|-----|------------|-----|------------|-----|------------|------|------------|----|------------|----|------------|----|------------|----|------------|----|------------|----|------------|----|--------------|
| Parameters: | | Carrier revenue base | \$ | 262,678,897 | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Interest rate per month | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | E-911 appropriation | \$ | 4,912,414 | | | | | | | | | | | | | | | | | | | | | | | | |
| | | E-911 Potential additional Appropriation | \$ | - | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Lifeline credits | \$ | 197,700 | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Lifeline administrative | \$ | 30,028 | | | | | | | | | | | | | | | | | | | | | | | | |
| | | VTRS | \$ | 193,241 | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Equipment | \$ | 42,134 | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Connectivity Division | \$ | - | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Bank Fees | \$ | 17,400 | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Audit | \$ | 19,450 | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Administration | \$ | 73,000 | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Opening fund balance | \$ | 4,181 | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Prior Year Rate: | | 2.000% | | | | | | | | | | | | | | | | | | | | | | | | |
| | | New Rate: | | 2.400% | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Summary Results: | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | Fund Balance Change = | | \$ | | (231,789) | | | | | | | | | | | | | | | | | | | | |
| | | | | Minimum Balance in Period = | | \$ | | (227,608) | | | | | | | | | | | | | | | | | | | | |
| | | | | This balance could support operations for | | | | (0.5) | | months. | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | July | August | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | June | Total | | | | | | | | | | | | | | |
| Carrier Payments | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Carrier revenue base | \$ | 25,247,971 | \$ | 22,166,469 | \$ | 21,359,403 | \$ | 23,857,366 | \$ | 21,645,291 | \$ | 21,612,102 | \$ | 23,052,499 | \$ | 20,522,573 | \$ | 20,931,989 | \$ | 22,451,244 | \$ | 20,505,590 | \$ | 19,326,400 | \$ | 262,678,897 |
| | | Due from Carriers | \$ | 605,951 | \$ | 531,995 | \$ | 512,626 | \$ | 572,577 | \$ | 519,487 | \$ | 518,690 | \$ | 553,260 | \$ | 492,542 | \$ | 502,368 | \$ | 538,830 | \$ | 492,134 | \$ | 463,834 | \$ | 6,304,294 |
| | | Due from Carrier (.4% transfer to Connectivity) | \$ | 100,992 | \$ | 88,666 | \$ | 85,438 | \$ | 95,429 | \$ | 86,581 | \$ | 86,448 | \$ | 92,210 | \$ | 82,090 | \$ | 83,728 | \$ | 89,805 | \$ | 82,022 | \$ | 77,306 | \$ | |
| | | Due from Carriers (USF) | \$ | 504,959 | \$ | 443,329 | \$ | 427,188 | \$ | 477,147 | \$ | 432,906 | \$ | 432,242 | \$ | 461,050 | \$ | 410,451 | \$ | 418,640 | \$ | 449,025 | \$ | 410,112 | \$ | 386,528 | \$ | |
| | | Less carrier credits: | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Lifeline Benefit Claims | \$ | (16,475) | \$ | (16,475) | \$ | (16,475) | \$ | (16,475) | \$ | (16,475) | \$ | (16,475) | \$ | (16,475) | \$ | (16,475) | \$ | (16,475) | \$ | (16,475) | \$ | (16,475) | \$ | (16,475) | \$ | (197,700) |
| | | Lifeline Admin Claims | \$ | (2,502) | \$ | (2,502) | \$ | (2,502) | \$ | (2,502) | \$ | (2,502) | \$ | (2,502) | \$ | (2,502) | \$ | (2,502) | \$ | (2,502) | \$ | (2,502) | \$ | (2,502) | \$ | (2,502) | \$ | (30,028) |
| | | Other adjustments | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - |
| VUSF Receipts | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Assessments from carriers | \$ | 485,982 | \$ | 424,352 | \$ | 408,211 | \$ | 458,170 | \$ | 413,928 | \$ | 413,265 | \$ | 442,073 | \$ | 391,474 | \$ | 399,662 | \$ | 430,048 | \$ | 391,134 | \$ | 367,551 | \$ | 5,025,850 |
| | | Interest | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - |
| | | Total | \$ | 485,982 | \$ | 424,352 | \$ | 408,211 | \$ | 458,170 | \$ | 413,928 | \$ | 413,265 | \$ | 442,073 | \$ | 391,474 | \$ | 399,662 | \$ | 430,048 | \$ | 391,134 | \$ | 367,551 | \$ | 5,025,850 |
| VUSF Disbursements | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | E-911 payments | \$ | 409,367.83 | \$ | 409,367.83 | \$ | 409,367.83 | \$ | 409,367.83 | \$ | 409,367.83 | \$ | 409,367.83 | \$ | 409,367.83 | \$ | 409,367.83 | \$ | 409,367.83 | \$ | 409,367.83 | \$ | 409,367.83 | \$ | 409,367.83 | \$ | 4,912,414.00 |
| | | VTRS | \$ | 16,103.42 | \$ | 16,103.42 | \$ | 16,103.42 | \$ | 16,103.42 | \$ | 16,103.42 | \$ | 16,103.42 | \$ | 16,103.42 | \$ | 16,103.42 | \$ | 16,103.42 | \$ | 16,103.42 | \$ | 16,103.42 | \$ | 16,103.42 | \$ | 193,241.04 |
| | | Equipment | \$ | 3,511.19 | \$ | 3,511.19 | \$ | 3,511.19 | \$ | 3,511.19 | \$ | 3,511.19 | \$ | 3,511.19 | \$ | 3,511.19 | \$ | 3,511.19 | \$ | 3,511.19 | \$ | 3,511.19 | \$ | 3,511.19 | \$ | 3,511.19 | \$ | 42,134.28 |
| | | Administration | \$ | 6,083.34 | \$ | 6,083.34 | \$ | 6,083.34 | \$ | 6,083.34 | \$ | 6,083.34 | \$ | 6,083.34 | \$ | 6,083.34 | \$ | 6,083.34 | \$ | 6,083.34 | \$ | 6,083.34 | \$ | 6,083.34 | \$ | 6,083.34 | \$ | 73,000.00 |
| | | Bank Fees | \$ | 1,450.00 | \$ | 1,450.00 | \$ | 1,450.00 | \$ | 1,450.00 | \$ | 1,450.00 | \$ | 1,450.00 | \$ | 1,450.00 | \$ | 1,450.00 | \$ | 1,450.00 | \$ | 1,450.00 | \$ | 1,450.00 | \$ | 1,450.00 | \$ | 17,400.00 |
| | | VUSF Audit | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Carrier Audits | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Misc & Bad Debts | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - | \$ | - |
| | | Total Disbursements | \$ | 436,515.78 | \$ | 436,515.78 | \$ | 436,515.78 | \$ | 436,515.78 | \$ | 436,515.78 | \$ | 436,515.78 | \$ | 436,515.78 | \$ | 436,515.78 | \$ | 436,515.78 | \$ | 436,515.78 | \$ | 436,515.78 | \$ | 436,515.78 | \$ | 5,257,639.32 |
| Net Fund | | | \$ | 49,466 | \$ | (12,164) | \$ | (28,305) | \$ | 21,654 | \$ | (42,037) | \$ | (23,251) | \$ | 5,557 | \$ | (45,042) | \$ | (36,853) | \$ | (6,468) | \$ | (45,381) | \$ | (68,965) | \$ | (231,789) |
| Fund Balance | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | Beginning of period | \$ | 4,181 | \$ | 53,648 | \$ | 41,484 | \$ | 13,179 | \$ | 34,833 | \$ | (7,204) | \$ | (30,455) | \$ | (24,899) | \$ | (69,940) | \$ | (106,794) | \$ | (113,262) | \$ | (158,643) | \$ | |
| | | End of period | \$ | 53,648 | \$ | 41,484 | \$ | 13,179 | \$ | 34,833 | \$ | (7,204) | \$ | (30,455) | \$ | (24,899) | \$ | (69,940) | \$ | (106,794) | \$ | (113,262) | \$ | (158,643) | \$ | (227,608) | \$ | |
| Lowest EOP fund Balance | | | \$ | (227,608) | | | | | | | | | | | | | | | | | | | | | | | | |
| Fund Balance Change | | | \$ | (231,789) | | | | | | | | | | | | | | | | | | | | | | | | |