



GENERAL ASSEMBLY
STATE OF VERMONT
LEGISLATIVE JOINT FISCAL COMMITTEE

Preliminary Agenda
Monday, November 4, 2019
133 State Street, BGS Board Room 401

- 10:00 a.m. A. Call to order and approve minutes of September 16, 2019 [**Action Item**]
- 10:05 a.m. B. Administration's Fiscal Updates
Adam Greshin, Commissioner, and
Matt Riven, Deputy Commissioner, Department of Finance & Management
1. FY2020 Budget Adjustment Pressures
 2. FY2021 Budget Development Process, and Projected Revenue & Expenditures
 3. Caseload Reserve
 4. Tax Computer System Modernization Fund Report [...further amended by [Sec. E.111.1 of Act 11 \(H.16\) of SS2018](#)]
- 10:35 a.m. C. Human Services
1. Integrated Eligibility and Enrollment System [**Action Item**]
[\[Sec. 3 of Act 42 \(H.543\) of 2019\]](#)
 - 10:45 a.m. 2. Agency of Human Services Strategic Plan [[Sec. E.300.8 of Act 72 \(H.542\) of 2019](#)]
 - 11:05 a.m. 3. Report on Fiscal Pressures – Human Services
[\[Sec. E.300.9 of Act 72 \(H.542\) of 2019\]](#)
 - 11:15 a.m. 4. Update on Global Commitment Waiver
- 11:25 a.m. D. Joint Fiscal Committee Policy Changes to Grants based on Statutory Revisions
[\[32 V.S.A. § 5 Sec. E.127.2 of Act 72 of 2019\]](#) [**Action Item**]
Rebecca Wasserman, Legislative Counsel, Office of the Legislative Council
Dan Dickerson, Fiscal Analyst, Joint Fiscal Office
- 11:40 a.m. E. Update on Four Southern Vermont Bridges
Joseph Flynn, Secretary, and
Wayne Symonds, Chief Engineer, Agency of Transportation

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- 11:50 a.m. D. Fiscal Officers Report - *Stephen Klein, Chief Fiscal Officer, Joint Fiscal Office*
1. Joint Fiscal Office/Legislative Budget Update – *Dan Dickerson*
 2. Other

12:00 p.m. Adjourn

updated 10/17/2019

Notable Dates:

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

December 16 – 19 - House Appropriations Committee FY20 Budget Adjustment meetings

Statutory References to Agenda Items

B.4. Act 65, Sec. 282 of 2007 as amended by Act 63, Sec. C.103 of 2011 as amended by Sec. 65 of Act 1 of 2013, Sec. 62 of Act 95 of 2014, and Sec. 47 of Act 87 of 2018 and further amended by Sec. E.111.1 of Act 11 (H.16) of SS2018

Tax Computer System Modernization Fund Report

(a) Creation of fund.

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

..*

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

C.1. Sec. 3 of Act 42 (H.543) of 2019

Human Services [Integrated Eligibility and Enrollment System]

(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.

* * *

C.2 Sec. E.300.8 of Act 72 (H.542) of 2019

Agency of Human Services; Strategic Plan; Report

(a) The Agency of Human Services, in order to respond effectively to dynamic and changing societal needs, shall identify emerging trends and develop a strategic plan for addressing the most challenging issues the Agency anticipates Vermont will face within the next five to 10 years.

* * *

(d)(1) On or before November 1, 2019, the Agency of Human Services shall provide a progress update on its strategic plan, analyses, and determinations to the Joint Fiscal Committee, the Health Reform Oversight Committee, the Joint Legislative Justice Oversight Committee, and the Government Accountability Committee.

(2) On or before January 15, 2020, the Agency of Human Services shall provide its final strategic plan, analyses, and determinations, including any recommendations for legislative action, to the House Committees on Appropriations, on Corrections and Institutions, on Government Operations, on Health Care, on Human Services, and on Judiciary and the Senate Committees on Appropriations, on Government Operations, on Health and Welfare, on Institutions, and on Judiciary.

C.3 Sec. E.300.9 of Act 72 (H.542) of 2019

Report on Fiscal Pressures – Human Services

- (a) The Secretary of Human Services shall report to the Joint Fiscal Committee at its November 2019 meeting on the following fiscal issues:
- (1) the most current estimate of timing related to the 12 beds being developed for State priority use at the Brattleboro Retreat and the fiscal year 2020 and 2021 funding implications. The Secretary shall estimate the additional needs for State funds and sources to provide funding the Administration is considering in the fiscal year 2021 budget presentation to the Legislature;
 - (2) the impact of the change in of Federal Children’s Health Insurance match (CHIP) match on the fiscal year 2021 budget and what steps may be recommended to offset the loss of funds; and
 - (3) any other fiscal pressures due to changes in federal funds or other program-related changes in costs or caseloads.

D. 32 V.S.A. § 5

§ 5. Acceptance of grants

(a) Definitions. As used in this section:

- (1) “Loan” means a loan that is interest free or below market value.
- (2) “State agency” means an Executive Branch agency, department, commission, or board.

(b) Executive Branch approval.

(1) Approval required. A State agency shall not accept the original of any grant, gift, loan, or any sum of money, or thing of value except as follows:

- (A) the State agency is granted approval pursuant to this subsection; or
- (B) Joint Fiscal Committee policies adopted pursuant to subsection (e) of this section do not require a State agency to obtain approval.

(2) Governor review.

The Governor shall review each grant, gift, loan, or any sum of money, or thing of value and shall send a copy of the approval or rejection to the Joint Fiscal Committee through the Joint Fiscal Office together with the following information with respect to these items:

- (A) the source and value;
- (B) the legal and referenced titles in the case of a grant;
- (C) the costs, direct and indirect, for the present and future years;
- (D) the receiving department or program, or both;
- (E) a brief statement of purpose; and
- (F) any impact on existing programs if there is a rejection.

(3) Legislative review.

(A) The Governor's in subdivision (b)(2) of this section approval shall be final except as follows:

(i) When the General Assembly is not in session, within 30 days of receipt of the copy of an approval and related information required under subdivision (b)(2) of this section, a member of the Committee requests such grant, gift, loan, sum of money, or thing of value be placed on the Committee's agenda; or,

(ii) when the General Assembly is in session, within 30 days of receipt of the copy of an approval and related information required under subdivision (b)(2) of this section, a member of the Committee requests that such grant, gift, loan, sum of money, or thing of value be held for legislative approval. If a copy of an approval and related information is received when the General Assembly is in session, but before the members of the Joint Fiscal Committee are appointed, one of the statutorily appointed members of the Committee may request to hold a grant for legislative approval. Legislative approval under this subdivision may be granted by legislation or resolution.

(B) In the event of a request to hold a grant made pursuant to subdivision (3) of this subsection, the grant shall not be accepted until approved by the Joint Fiscal Committee or the General Assembly.

(C) The 30-day period described in subdivision (3)(A)(i) of this subsection may be reduced where expedited consideration is warranted in accordance with Joint Fiscal Committee policies adopted pursuant to subsection (e) of this section.

(D) Upon receipt of the copy of an approval and related information required under subdivision (b)(2) of this section while the General Assembly is in session, the Joint Fiscal Committee shall promptly file a notice with the House and Senate Clerks for publication in the respective calendars.

(4) Exceptions.

(A) General. The review and approval process set forth in subsection (b) of this section shall not apply to the following items,

(i) the acceptance of grants, gifts, loans, sums of money, or other things of value with a value of \$15,000.00 or less, if the acceptance of those items will not incur additional expense to the State or create an ongoing requirement for funds, services, or facilities; or

(ii) a legal settlement.

(B)(i) Notification required. The receiving agency shall promptly notify the Secretary of Administration and Joint Fiscal Office of the source, value, and purpose of any items received under this subdivision; provided, however, that no notification is required for an item received under this subdivision with a value of less than \$1,500.00. The Joint Fiscal Office shall report all such items to the Joint Fiscal Committee quarterly. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subdivision.

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

The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subdivision.

(5) Transportation. With respect to acceptance of the original of a federal transportation earmark or of a discretionary federal grant for a transportation project, the provisions of subdivision (1) of this subsection shall apply, except that in addition:

(A) notification of the Governor's approval or rejection shall also be made to the Chairs of the House and Senate Committees on Transportation; and

(B) such grant or earmark shall be placed on the agenda, and shall be subject to the approval, of a committee comprising the Joint Fiscal Committee and the Chairs of the House and Senate Committees on Transportation, if one of the Chairs or a member of the Joint Fiscal Committee so requests.

(c) Legislative and Judicial Branch approval.

(1) Approval required. The Legislative and Judicial Branches shall not accept the original of any grant, gift, loan, or any sum of money, or thing of value except as follows:

(A) approval is granted pursuant to the process set forth in subdivision (b)(3) of this section if the item received has a value of \$15,000 or more; and

(B) notification is sent to the Joint Fiscal Committee and the Secretary of Administration of the source, value, and purpose of the item received if the item has a value of \$1,500.00 or more.

(2) Exceptions. The review process set forth in subdivision (b)(2) of this section shall not apply to the approval of any grant, gift, loan, or any sum of money, or thing of value received by the Legislative or Judicial Branches.

(d) Limited service position. The Joint Fiscal Committee is authorized to approve a limited service position request, in conjunction with a grant, if the position is explicitly stated for a specific purpose in the grant, and the position request is approved pursuant to the process set forth in subsection (b) of this section. The position shall terminate with the expiration of the grant funding unless otherwise funded by an act of the General Assembly. A limited service position request shall include a certification from the appointing authority to the Joint Fiscal Committee that there exists equipment and housing for the position or that funds are available to purchase equipment and housing for the position.

(e) Policies. The Joint Fiscal Committee is authorized to adopt policies to implement this section, including a policy on expedited review by the Joint Fiscal Committee when the General Assembly is not in session. (Added 1971, No. 260 (Adj. Sess.), § 29(a); amended 1977, No. 247 (Adj. Sess.), § 186, eff. April 17, 1978; 1983, No. 253 (Adj. Sess.), § 248; 1995, No. 46, § 52; 1995, No. 63, § 277, eff. May 4, 1995; 1995, No. 178 (Adj. Sess.), § 416, eff. May 22, 1996; 1997, No. 2, § 72, eff. Feb. 12, 1997; 1997, No. 66 (Adj. Sess.), § 60, eff. Feb. 20, 1998; 2007, No. 65, § 394; 2009, No. 146 (Adj. Sess.), § B15; 2009, No. 156 (Adj. Sess.), § E.127.2, eff. June 3, 2010; 2013, No. 142 (Adj. Sess.), § 54; 2013, No. 167 (Adj. Sess.), § 17; 2013, No. 179 (Adj. Sess.), § E.342.7; 2017, No. 85, § E.700.)

Reports

Child Care Financial Assistance Program Adjustments

Citation Sec. E.318.1 of Act 11 (H.16) of SS2018

[Report Link – forthcoming]

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

(1) adjust the sliding scale of the Child Care Financial Assistance Program benefit to correspond with the increase in minimum wage to \$10.50 as of July 1, 2018 and to \$11.10 as of January 1, 2019, to ensure that the benefit

percentage at each new minimum wage level remains the same as the percentage applied under the former minimum wage; and

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

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

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

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

Annual Report on Pay Act Allocations

Citation: [3 V.S.A. § 2281](#)

[Report Link – forthcoming]

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

..*

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

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Quarterly report of costs and expenditures for proceedings of the Federal Energy Regulatory Commission

Citation: [30 V.S.A. § 20](#)

[Report Link – forthcoming]

§ 20. PARTICULAR PROCEEDINGS AND ACTIVITIES; PERSONNEL

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

..*

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

..*

(9) proceedings at the Federal Energy Regulatory Commission which involve Vermont utilities or which may affect the interests of the state of Vermont. Costs under this subdivision shall be charged to the involved electric or natural gas companies pursuant to subsection 21(a) of this title. In cases where the

proceeding is generic in nature the costs shall be allocated to electric or natural gas companies in proportion to the benefits sought for the customers of such companies from such advocacy. The public service board and the department of public service shall report quarterly to the joint fiscal committee all costs incurred and expenditures charged under the authority of this subsection, and the purpose for which such costs were incurred and expenditures made;

Small Grants Quarterly Report

32 V.S.A. § 5 as amended by [Sec. E.127.2 of Act 72 of 2019](#)

[Report Link – forthcoming]

(a) Definitions. As used in this section:

..*

(4) Exceptions.

(A) General. The review and approval process set forth in subsection (b) of this section shall not apply to the following items, provided that the acceptance of those items.

(i) the acceptance of grants, gifts, loans, sums of money, or other things of value with a value of \$15,000.00 or less, if the acceptance of those items will not incur additional expense to the State or create an ongoing requirement for funds, services, or facilities; or

(ii) a legal settlement.

(B)(i) Notification required. The receiving agency the Secretary of Administration and Joint Fiscal Office shall be promptly notified of the source, value, and purpose of any items received under this subdivision; provided, however, that no notification is required for an item received under this subdivision with a value of less than \$1,500.00. The Joint Fiscal Office shall report all such items to the Joint Fiscal Committee quarterly. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subdivision.

(ii) The Joint Fiscal Office shall report all items received under this subdivision to the Joint Fiscal Committee quarterly. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subdivision.

Quarterly report on excess receipts

[32 V.S.A. § 511](#)

[Report Link – forthcoming]

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

(1) Purpose and identification. Each special fund shall be established for a specific purpose, identified by a unique name, and managed on the State Central Accounting System under the control of the Commissioner with the actual monies held under the authority and responsibility of the State Treasurer.

(2) Receipts. Each special fund shall consist of receipts specified upon its creation and of transfers from other funds as authorized by the General Assembly or by the Secretary of Administration or the Emergency Board pursuant to section 706 of this title.

* * *

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

Special funds balance and list of funds created

[note: due December 1 annually]

[32 V.S.A. § 588](#)

[Report Link – forthcoming]

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

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- (2) Receipts. Each special fund shall consist of receipts specified upon its creation and of transfers from other funds as authorized by the General Assembly or by the Secretary of Administration or the Emergency Board pursuant to section 706 of this title.

* * *

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

Global Commitment Fund Estimated Fiscal Yearend Report of Managed Care Investments.

[33 V.S.A. § 1901e\(c\)](#)

[[Report Link](#)]

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

* * *

- (c) Annually on or before October 1, the agency shall provide a detailed report to the joint fiscal committee which describes the managed care organization's investments under Term and Condition 57

of the Global Commitment for Health Medicaid Section 1115 waiver, including the amount of the investment and the agency or departments authorized to make the investment.

Next Steps for Implementing a Wholesale Prescription Drug Importation Program

[Sec. E.300.7 of Act 72 \(H.542\) of 2019](#)

[\[Report Link\]](#)

- (a) The Agency of Human Services shall consult with the National Academy for State Health Policy (NASHP) and with states pursuing or interested in pursuing a wholesale prescription drug importation program to identify opportunities to coordinate and work collaboratively in these efforts. On or before October 1, 2019, the Agency shall provide an update on its progress in obtaining federal approval for a wholesale prescription drug importation program pursuant to 18 V.S.A. § 4653, including the results of its consultations with NASHP and with other states, to the House Committees on Appropriations, on Health Care, and on Ways and Means; the Senate Committees on Appropriations, on Health and Welfare, and on Finance; and the Joint Fiscal Committee.
- (b) The Board of Pharmacy in the Office of Professional Regulation, in consultation with the Agency of Human Services, shall explore whether any new prescription drug wholesaler license categories would be necessary in order to operate a wholesale prescription drug importation program in this State. On or before January 15, 2020, the Board shall provide its findings and recommendations with respect to new prescription drug wholesaler license categories to the House Committees on Government Operations and on Health Care and the Senate Committees on Government Operations and on Health and Welfare.

UNIVERSITY OF VERMONT AND VERMONT STATE COLLEGES SYSTEM EFFICIENCIES AND IMPROVED RETENTION AND GRADUATION RATES

[Sec. E.300.7 of Act 72 \(H.542\) of 2019](#)

[\[Report Link forthcoming\]](#)

- (a) The University of Vermont (UVM) and the Vermont State Colleges System (VSCS) shall:
 - (1) collaborate to identify cost efficiencies that would benefit both institutions. Such efficiencies may include costs related to employee health care benefits, purchasing, and the processing of accounts payable, accounts receivable, and payroll; and
 - (2) collaborate to implement strategies to increase retention and graduation rates at the University of Vermont and each of the colleges in the VSCS.
- (b) UVM and the VSCS shall submit an interim report to the Senate and House Committees on Appropriations and the Senate and House Committees on Education on or before October 15, 2019. This report shall include:
 - (1) preliminary recommendations for efficiencies that should be pursued;
 - (2) the estimated amount of annual savings;
 - (3) any one-time funds needed to implement the efficiencies;
 - (4) any further efficiencies that should be explored; and
 - (5) preliminary recommendations regarding strategies to increase retention and graduation rates.

(c) If the interim report is not submitted or when submitted does not include any recommendations pursuant to subdivisions (b)(1) and (b)(5) of this section, a new working group shall immediately be created as defined in Sec.E.603.2 of this act.