

# CRF Reallocation Proposals

Prepared for the Vermont Legislative Joint Fiscal Committee

November 5, 2020

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Julia S. Moore, P.E.  
Agency Secretary

State of Vermont  
Agency of Natural Resources

**To:** Joint Fiscal Committee  
**From:** Julie Moore, Secretary, Agency of Natural Resources  
**Date:** November 2, 2020  
**Re:** Agency of Natural Resources – JFC Request for CRF Funds

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The Agency of Natural Resources (ANR or Agency) is Requesting the allocation of \$275,000 CRF funds to cover Administrative costs of CRF programs in FY 2021.

**Total Amount Requested:** \$265,000. ANR requests additional funding to cover costs incurred to execute various CRF programs tasked to the Agency as well as additional expenses incurred since June 30, 2020. These funds will be allocated to Departments accordingly:

Department	Amount
ANR Central Office	12,000
Fish & Wildlife	15,000
Forests, Parks, and Recreation	153,000
Environmental Conservation	85,000
Total	265,000

**Proposed Use of Reallocation:** For the most part, these expenses have already been incurred and the Agency will be able to fully expend the funds prior to December 30, 2020. ANR will utilize these funds to pay for staff time to implement the grant programs the Agency is responsible for, staff time charged to the specific COVID task profiles in the first pay period of 2021, staff expenses for time spent completing financial reporting and documentation, as well as additional operating expenses (e.g. back charges for additional cleaning in the National Life Building).

**Confirmation Proposal Complies with CARES Act CRF Guidelines:** These funds were requested through an ERR in FY 2020. This spending was approved by Guidehouse on September 15, 2020 (Department expenses) and October 15, 2020 (ANR CO expenses).

Signed,



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## MEMORANDUM

**TO:** Joint Fiscal Committee

**FROM:** Jason Pinard, Financial Director II

**DATE:** November 3, 2020

**RE:** Request to Re-allocate CRF Funding

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The Agency of Administration Financial Services Division is requesting the reallocation of \$331,000 of Buildings and General Services CRF Funds from the Property Management Division to the Information Centers Division in the amount of \$30,000, \$270,000 to the Fee for Space program, and \$30,615 to the AOA Financial Services Division in FY2021.

**Proposed Use of Reallocation:**

\$30,000 will be used by the BGS Information Centers Division to cover costs being incurred for Port-o-let rentals and cleanings at their various locations across the State.

\$270,000 will be used by the BGS Fee for Space program for the cleaning and maintaining of State buildings, which includes staff time as well as various cleaning products.

The remaining \$30,615 will be used by AOA Financial Services Division to cover the salary and benefits of Brenda Berry, the Deputy Chief Financial Officer for her time spent working on the CRF Financial Team.

**Confirmation Proposal Complies with CARES Act CRF Guidelines:** The BGS funds were requested through an ERR in FY 2021. This spending was approved by Guidehouse on September 23, 2020. The AOA-FSD funds were reviewed and approved by Guidehouse prior to this submission.

Please do let me or my team know if you should have any questions,

Very Best,

Jason Pinard,  
Financial Director II, Agency of Administration, Financial Services Division

**Agency of Commerce and Community Development**

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**MEMORANDUM**

**To:** Joint Fiscal Committee

**From:** June E. Tierney, Commissioner, Vermont Department of Public Service

**Re:** CRF request to reallocate \$100,000 to program costs for Temporary Broadband Lifeline Program

**Date:** November 5, 2020

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In accordance with Act 154 (Section B.1108), the Department of Public Service (“Department”) requests the following CRF reallocation.

**Total Amount Requested:** \$100,000. The Department requests a reallocation of program funding to defray the agency’s administrative costs to deliver the Temporary Broadband Lifeline Program (“TBL Program”) authorized by Section 13(d) of Act 137.

**Response to the Pandemic:** The TBL Program reduces the monthly cost to Vermonters of subscribing to broadband to increase adoption rates during the COVID-19 emergency. The internet is a critical means for citizens to stay connected and informed about the public health emergency and to otherwise sustain everyday necessary activities such as remote learning, telehealth, and telework, to name a few. The Department has processed approximately 1,000 applications for this assistance and expects the take rate to accelerate materially in short order following a renewed media outreach campaign that will be launched soon. The Department originally budgeted \$3 Million for this program and intends to add another \$759,083.

**Proposed Use of Reallocation:** To date the Department has staffed this work with salaried State of Vermont employees, who would not be doing this work but for the emergency. However, there are program design skills, knowledge, and resources – principally software design and support – that the Department does not have in-house and therefore has had to incur costs to retain an IT contractor. The \$100,000 reallocation funding will be used to pay for the contractor services of Solix (program administration and support) and MTX, an IT contractor who is supporting other state agencies in need of IT solutions to deliver COVID-19 relief programs.

**Confirmation Proposal Complies With CARES ACT CRF Guidelines:** As an established program, the TBLS Program has been vetted by both legislative counsel and the Administration’s CRF contractor, and has been deemed to comply with CRF guidance. The contractor costs have been incurred in direct support of this authorized program.



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**MEMORANDUM**

**To:** Joint Fiscal Committee  
**From:** June E. Tierney, Commissioner, Vermont Department of Public Service  
**Re:** CRF request to reallocate \$100,000 for Wi-Fi Hot Spots  
**Date:** November 5, 2020

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In accordance with Act 154 (Section B.1108), the Department of Public Service (“Department”) requests the following CRF reallocation.

**Total Amount Requested:** \$100,000. The Department requests a reallocation of program funding to cover the balance of the agency’s contractual costs to deploy Wi-Fi hot spots in communities throughout Vermont.

**Response to the Pandemic:** The internet is a critical means for citizens to stay connected and informed about the public health emergency and to otherwise sustain everyday necessary activities such as remote learning, telehealth, and telework, to name a few. One of the Department’s earliest pandemic emergency responses was to deploy public Wi-Fi hot spots in communities all across Vermont. This emergency response measure proved and remains crucial for so many Vermonters who have little or no access at home. The Wi-Fi hot spots at least allow them a functional – though clearly not ideal -- means of getting on the internet to meet basic needs such as remote learning (e.g., uploading and downloading homework assignments), telehealth/medicine, and remote working. The demand for such Wi-Fi hot spots has been robust, far exceeding the initial emergency resources the Department was able to secure for deploying them.

**Proposed Use of Reallocation:** The \$100,000 would cover the as-yet unfunded balance of the Department’s contract for \$275,000 with Up & Running for deploying Wi-Fi hotspots.

**Confirmation Proposal Complies With CARES ACT CRF Guidelines:** As an established program pursuant to Sections 13(a)(5) and (e) of Act 137, expenditures for Wi-Fi hot spots has been vetted by both legislative counsel and the Administration’s CRF contractor, and have been deemed to comply with CRF guidance. There are still some details being worked out between the Department and Guidehouse, but as of a conference today (10/29/20) the Department understands that essentially Guidehouse has deemed this Wi-Fi hot spot activity to be CRF compliant.



## MEMORANDUM

**TO:** Joint Fiscal Committee  
**FROM:** Susanne Young, Agency of Administration  
**RE:** CRF request for \$750,000 for additional support for Guidehouse Inc, CRF Consultant  
**DATE:** November 1, 2020

In accordance with Act 154 (Section B.1108), the Agency of Administration requests the following CRF reallocation.

**Total Amount Requested: \$750,000**

**Response to the Pandemic:** As a result of the pandemic, the State of Vermont was awarded and subsequently disbursed \$1.25 billion in CRF funding across several grant programs and many operational expense appropriations over the past several months.

**Proposed Use of Reallocation:** The Agency of Administration requests \$750,000 in reallocated CRF to continue the engagement of our CRF Consultant. Continued engagement will be critical to the State's ability to respond to and comply with the Single Audit Act and reporting and recordkeeping requirements imposed by the Office of Inspector General. Although all CRF grant programs and expenditures were expended through the lens of U.S. Treasury guidance, they still must withstand the scrutiny of the audit. Failure to withstand this scrutiny could potentially result in the U.S. Treasury clawing back CRF funding. Guidehouse has been instrumental in our decision-making process throughout the pandemic and is well positioned to help us explain and defend what could be considered moderate to high risk investments. Guidehouses' continued assistance is necessary in monitoring compliance with U.S. Treasury guidelines for current grant programs and recommending changes as timelines, other outside forces or updated guidance require. As Guidehouse assists all State Agencies and Departments in the administration of CRF allocations, continued assistance is a significant State need.

**Confirmation Proposal Complies with CARES ACT CRF Guidelines:** Expenses incurred beyond December 30, 2020 for the purpose of compliance efforts associated with Treasury guidance is an authorized use of CRF Funding. Specifically, a September 2, 2020, update to US Treasury guidance states the following at Page 8:

*"To the extent a cost is incurred by December 30, 2020, for an eligible use consistent with section 601 of the Social Security Act and Treasury's guidance, a necessary administrative compliance expense that relates to such underlying cost may be incurred after December 30, 2020. Such an expense would include, for example, expenses incurred to comply with the Single Audit Act and reporting and recordkeeping requirements imposed by the Office of Inspector General."*



## MEMORANDUM

**To:** Joint Fiscal Committee

**From:** Sarah Squirrel, Commissioner, Department of Mental Health  
Sarah Clark, CFO, Agency of Human Services

**Re:** CRF Request for \$1.1 million additional appropriation to the Department of Mental Health (DMH)

**Date:** October 30<sup>th</sup>, 2020

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The Department of Mental Health (DMH) is seeking additional CRF funding to continue supporting the needs of the Department due to the COVID-19 Pandemic.

**Total Amount Requested:** DMH is requesting \$1,186,990 in additional CRF funding for Vermont Psychiatric Care Hospital (VPCH) and Middlesex Therapeutic Community Residence (MTCR) staffing, PPE, and other contract related expenditures.

**Response to the Pandemic:** Due to the COVID crisis, VPCH and MTCR have experienced significant staffing shortages. To manage this shortage 12-hour shifts have been negotiated between the VSEA and the State. As part of that negotiation, the additional 4 hours per day that staff are working are paid at overtime. This change to 12-hour shifts has also been extended to travel nurse companies in an effort to obtain and retain nurses, as nursing shortages have been extremely challenging. In addition, CRF is needed to cover the cost of staff who are required to self-quarantine or who are sent home due to symptoms.

**Proposed Use of Reallocation:** The original request for CRF included the cost for 12-hour shifts at VPCH and MTCR through November 7, 2020. DMH is requesting to extend that schedule through December 31, 2020, which would also be extended to the travel nurses. With this change, DMH is requesting these additional funds to continue paying for all expenses associated with staffing, PPE, equipment for telehealth and other related operating expenses.

**Confirmation Proposal Complies with CARES Act CRF Guidelines:** The expenditures outlined have been discussed with the Administration's CRF contractor and have been deemed to comply with CRF guidance.



## MEMORANDUM

**To:** Joint Fiscal Committee

**From:** Sarah Clark, CFO, Agency of Human Services

**Re:** CRF Request for \$215,756 additional appropriation to the Departments of Vermont Health Access (DVHA) and Disabilities, Aging and Independent Living (DAIL)

**Date:** October 30<sup>th</sup>, 2020

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The Departments of Vermont Health Access (DVHA) and Disabilities, Aging and Independent Living (DAIL) is seeking additional CRF funding to continue supporting department administrative needs due to the COVID-19 Pandemic.

**Total Amount Requested:** DVHA is requesting \$15,756 in additional CRF funding for administrative costs including contractual adjustments needed for the pandemic. DAIL is requesting \$200,000 for staff costs attributed to pandemic response and time serving the State Emergency Operations Center (SEOC).

**Response to the Pandemic:** Due to the COVID crisis, both departments have been actively engaged in a variety of efforts to address the pandemic. This includes administering grant programs and serving on the State Emergency Operations Center. This are additional funds needed beyond current allocations.

**Proposed Use of Reallocation:** To fund direct staff time and contract increase at the Medicaid Management Information System (MMIS).

**Confirmation Proposal Complies with CARES Act CRF Guidelines:** The expenditures outlined have been discussed with the Administration's CRF contractor and have been deemed to comply with CRF guidance.



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**MEMORANDUM**

**To:** Joint Fiscal Committee  
**From:** Lindsay H. Kurrle, Secretary, Agency of Commerce and Community Development and Craig Bolio, Commissioner, Department of Taxes  
**Re:** Increased funding for Expanded Economic Development Grants  
**Date:** November 2, 2020

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**Total Amount Requested: \$75,000,000 - \$100,000,000.** The Agency of Commerce and the Department of Taxes requests an increase in funding to fund Expanded Economic Development Grants unmet need requests closer to the business and nonprofits unmet need figures.

**Response to the Pandemic:** ACCD and the Department of Taxes have started to accept applications for the second round of the Economic Recovery Grants program, however, with the number of applications received and the total unmet need reported – the program will be oversubscribed. Additional investment in this program will allow the Agency of Commerce and the Department of Taxes to increase grants amounts for eligible grant recipients. To date, total applicants have identified additional raw (uncapped) unmet need of over \$500,000,000. The Agency and the Department will have a better understanding of the calculated unmet need by the close of the applications (late November). Therefore, it is recommended that \$75,000,000 to \$100,000,000 of CRF funding be reallocated to the program.

**Urgency of Request:** The Department and the Agency estimate that unmet need will continue to grow through the winter months as businesses experience continued reductions in revenues, making this reallocation request urgent so funds are available for distribution in early December.



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**MEMORANDUM**

**To:** Joint Fiscal Committee  
**From:** Lindsay H. Kurrle, Secretary, Agency of Commerce and Community Development  
**Re:** CRF request for \$750,000 additional support for Restart Vermont Business Assistance Program  
**Date:** October 23, 2020

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In accordance with Act 154 (Section B.1108), the Agency of Commerce and Community Development requests the following CRF reallocation.

**Total Amount Requested:** \$750,000. The Agency of Commerce and Community Development requests additional funding to enable the state's small business technical assistance network to provide additional services to COVID-19 impacted businesses.

**Response to the Pandemic:** Act 137 Section 6 (b) (2) appropriated \$2,500,000 to the Restart Vermont Technical Assistance Program to provide small businesses impacted by COVID-19 with professional services (legal, marketing, inventory management, accounting, HR, etc.) to help them recover from impacts of the pandemic. The Agency of Commerce issued an RFP to award the funding to five technical assistance providers: the Regional Development Corporations, the Vermont Sustainable Jobs Fund, the Vermont Chamber of Commerce (On the Fly), Champlain College and Northern Community Investment Corporation. The organizations have employed navigators to help businesses connect with recovery resources and built networks of public and private professional service providers to help businesses at no cost. To date, more than 600 businesses have signed up for services, and more than 325 private service providers are subscribed to offer services. The program has been a win-win – providing struggling businesses with technical assistance and providing Vermont professional service providers with revenue.

**Proposed Use of Reallocation:** Funding will be used to provide the Regional Development Corporations and Northern Community Investment Corporation with additional grant dollars to provide direct services to 200 - 300 businesses. NCIC will receive an addition \$130,000 and the RDCs will receive an additional \$620,000. The organizations have a backlog of at least 100 businesses asking for services. A small amount of the funding may also be used by On the Fly to provide assistance to another dozen hospitality businesses depending on funding availability. The businesses will meet with a recovery navigator, identify what services they need, and be matched with a provider to complete a scope of work before December 30, 2020.

**Confirmation Proposal Complies With CARES ACT CRF Guidelines:** As an established program, the Restart Vermont Business Assistance Program has been vetted by both legislative counsel and the Administration's CRF contractor, and has been deemed to comply with CRF guidance.



## MEMORANDUM

**To:** Joint Fiscal Committee  
**From:** Lindsay H. Kurrle, Secretary, Agency of Commerce and Community Development and Michael Smith, Secretary, Agency of Human Services  
**Re:** CRF Request for \$1 million additional appropriation to Microbusiness Program  
**Date:** October 23, 2020

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In accordance with Act 154 (Section B.1108), the Agency of Commerce and Community Development and the Agency of Human Services requests the following CRF reallocation.

**Total Amount Requested:** \$1,000,000. ACCD and AHS seek funding to enable the Community Action Agencies to offer their EMBRACE technical assistance and financial assistance to additional micro-business clients.

**Response to the Pandemic:** Act 120 (Section A.49 (a) (13) provided the Micro Business Development Program \$1,400,000 to help underserved micro-businesses in Vermont sustain operations beyond the COVID-19 crisis with direct grants. This appropriation enabled the Micro Business Development Program to stand up a new COVID-19 assistance program, separate and unique from its traditional programming. The legacy program focuses on a technical assistance system. The COVID-19 program focuses on providing both technical assistance and a new grant program. Businesses are eligible for up to \$5,000 and technical assistance through the program.

The program has provided 207 businesses with assistance, with another 30 in the pipeline. Due to limited funding, the program has stopped accepting applications. The program serves businesses with five or fewer employees owned by people with 80 percent or less of median household income. This unique subsection of businesses benefits from the Micro Business Development Program instead of the ACCD Economic Recovery Grant Program because they can receive a larger grant through EMBRACE and receive additional technical assistance. ACCD's program is not available to businesses that gross less than \$22,000. EMBRACE has seen a majority of their customers with incomes between \$20,000 and \$40,000. EMBRACE customers may not apply for Economic Recovery Grants through ACCD.

**Proposed Use of Reallocation:** The micro business development programs will use the funding to make more than 200 new grants to microbusinesses and provide additional technical assistance. The program launched on August 24<sup>th</sup>, and in less than two months successfully deployed more than 200 grants. The program can easily utilize the new funding in the coming two months, including serving the existing backlog and recruiting new businesses.



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**Confirmation Proposal Complies with CARES Act CRF Guidelines:** As an established program, EMBRACE has been vetted by both legislative counsel and the Administration’s CRF contractor, and has been deemed to comply with CRF guidance.



## MEMORANDUM

**To:** Joint Fiscal Committee  
**From:** Lindsay H. Kurrle, Secretary, Agency of Commerce and Community Development and Anson Tebbetts, Secretary, Agency of Agriculture  
**Re:** CRF Request for \$1 million additional appropriation to the Vermont Everyone Eats program  
**Date:** October 28<sup>th</sup>, 2020

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In accordance with Act 137 (Section 6), the Agency of Commerce and Community Development and the Agency of Agriculture requests the following CRF reallocation.

**Total Amount Requested:** \$1,000,000. ACCD and AG seek funding to extend the Restaurants and Farmers Feeding the Hungry Program, now known as the Vermont Everyone Eats program through December 30, 2020.

**Response to the Pandemic:** In response to COVID-19, restaurants, farmers, food producers, and community organizations across Vermont have stepped forward to help feed neighbors experiencing food insecurity. The Vermont Everyone Eats program has helped stabilize communities by nourishing Vermonters, alleviating the surging demand on food shelves, and providing economic support to local restaurants, farmers and food producers. The Vermont Legislature initially allocated \$5M from the Coronavirus Relief Fund (CRF) to support restaurants feeding Vermonters who have been negatively impacted by COVID-19. Response to the program has been greater than anticipated, and the funding for it will have been expended by December 11, 2020 or possibly even sooner. If the current request is granted, the program will continue to provide meals through December 30, 2020. The program has engaged over 120 restaurants and more than 60 Vermont-based farms, and will have served over 175,000 meals by the end of October. It is managed by 15 distinct "Hub" entities providing meals that are accessible in all 14 Vermont counties. Given the ongoing nature of the pandemic, and its impact upon local economies, maintaining this program will be of great benefit to communities throughout the state.

**Proposed Use of Reallocation:** A recent survey with the Hubs has determined that there is significant need for and interest in extending the program, which launched on August 3<sup>rd</sup> with the first Hub in Brattleboro, and within a few months has ramped up to nearly 30,000 meals per week delivered by 15 Hubs. If it was extended through December 30<sup>th</sup>, approximately \$780,000 would be needed for additional meals. In support of the program, and aligned with the original legislation and contract, related service delivery, operational, and administrative expenses for SEVCA (the statewide coordinating agency and fiscal agent) and the 15 Hubs would be approximately \$207,000. This brings the total anticipated expenses to \$987,000, rounding to \$1M with any remaining funding used as necessary on meals and administrative expenses over estimate.



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**Confirmation Proposal Complies with CARES Act CRF Guidelines:** As an established program, the Vermont Everyone Eats program has been vetted by both legislative counsel and the Administration's CRF contractor, and has been deemed to comply with CRF guidance.



**MEMORANDUM**

**To:** Joint Fiscal Committee

**From:** June Tierney, Commissioner, Vermont Department of Public Service

**Re:** CRF request for \$500,000 additional support for the COVID-19 Arrearage Assistance Program (VCAAP) to expand eligibility to customers of community and municipal water and sewer systems.

**Date:** November 5, 2020

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In accordance with Act 154 (Section B.1108), the Department of Public Service requests the following CRF reallocation.

**Total Amount Requested:** \$500,000. (Spending above \$500,000 up to \$750,000 is possible if the timeframes for program implementation extend beyond December 30.) The Department requests additional funding to leverage the existing VCAAP to assist residential and nonresidential customers of community and municipal water and sewer systems who have suffered economic hardship due to loss of income because of COVID-19.

**Response to the COVID-19 Pandemic:** Act 137, Section 20 appropriated \$8,000,000 for assistance to customers of those utilities covered by the Public Utility Commission's moratorium on disconnections of service. The VCAAP helps residential and business customers recover from economic hardship due to loss of income caused by the pandemic. The Department worked with 25 Vermont utilities and other service providers to establish the program including an online application and review function. Utilities review applications on the first pass to identify and input qualifying arrearages into the software. The Department issues payments on behalf of customers directly to participating utilities. Five community action agencies staff help applicants with limited internet access to file online applications. The Department retained the services of a contractor to review and input eligible arrearages in the place of non-participating utilities. To date, nearly 7,000 applications have been received and more than \$3.2 million in aid approved.

**Proposed Use of Reallocation:** Community and municipal water systems have experienced financial difficulties due to slow or non-payment of arrearages to date as well. Information provided by the Rural Water Association suggests that accumulated arrearages are associated with 2.6 times the normal levels of overdue bills and estimates the burden of COVID-19 has contributed approximately \$1.5 million in customer arrearages. The roughly 1,400 community and water systems seek assistance similar to what is available through VCAAP. We estimate that \$500,000 can reasonably expect to be awarded by year end.

**Confirmation Proposal Complies with CARES ACT CRF Guidelines:** The VCAAP as established and the proposed modifications, have been vetted by both legislative counsel and the Administration's CRF contractor, and have been deemed to comply with CRF guidance. Opening the program to community and municipal water systems is a logical extension of the approved VCAAP program.



## MEMORANDUM

**To:** Joint Fiscal Committee

**From:** Anson Tebbetts, Secretary, Agency of Agriculture, Food and Markets



**Re:** CRF Request for \$2,410,000 additional appropriation

**Date:** October 29<sup>th</sup>, 2020

The Agency of Agriculture, Food and Markets (AAFM) requests the following CRF reallocations in two critical program areas: Buy Local Campaign and Expanded Meat Processing.

### **Buy Local Campaign**

**Total Amount Requested: \$335,000.** AAFM seeks consumer marketing funds targeting both regional and local consumers to purchase Vermont products during the 2020 holiday season.

Since March, consumers have consistently sought access to reliable, safe, and close to home, local food options. Many Vermont food producers and farms have been focusing efforts on reaching new consumers and engaging in more digital marketing and ecommerce activities. When institutions and restaurants closed, a variety of new food products were added to grocery store shelves and new retail relationships were established with local farm and food businesses. Even with new marketing and production pivots, many agricultural and food businesses still have seen a reduction in sales due to the COVID-19 public health emergency. Consequently, many of our food and farm businesses are looking to the holiday season as an opportunity expand sales in hopes of increasing their overall gross revenues for 2020.

**Proposed Use of Reallocation:** In response to these pandemic-induced consumer preference shifts, AAFM would like to develop two ‘buy local’ campaign efforts focused on the 2020 Holiday Season.

1. **Holiday Shopping Catalog** - \$175,000

This holiday shopping catalogue would feature a variety of Vermont farm and food products available to local and regional consumers during the holiday season. While regional consumers may not be able to travel to Vermont during this pandemic, this shopping catalogue would bring Vermont to them and provide convenient gift giving opportunities of Vermont farm and food products. The catalogue would be direct mailed to 25,000 regional consumers and reproduced digitally. The catalogue would be supported by social ad buys and website promotions. Participating businesses must be already engaged in ecommerce, have a shelf stable or shippable product, and be prepared to provide their agricultural and food producers to committed consumers.



## 2. Local Food Holiday Campaign - \$160,000

This coordinated marketing campaign would target local consumers buying Vermont products from Vermont retailers during the holiday season. Local products available at retail establishments would be highlighted, as well as the retail locations, in social media and radio ads to encourage Vermonters purchasing of local products from retail during the holiday season. This campaign would be conducted in partnership with DigIn VT and VT Retail Grocers Association.

### **Expanded Meat Processing**

**Total Amount Requested: \$2,075,000.** AAFM seeks funding to increase local meat processing capacity through enhanced efficiency, productivity, and utilization of modern processing equipment and training resources.

The current demand for local meat products exceeds the processing capacity of the existing slaughter and meat processing facilities in Vermont. As the demand for local meats has risen in response to the pandemic, various mechanisms to increase meat processing capacity have been explored – including constructing new processing facilities, offering meat cutting courses, and upgrading existing infrastructure. Constructing new facilities within the 2020 calendar year is not realistic but supporting equipment purchases for slaughter and processing facilities that are prepared for expansion in 2021 is feasible and aims to increase production capabilities and availability of local meat. One meat processing facility recently shared that with new processing equipment purchases, they anticipate 80% increase in throughput compared to their existing facility's production. Additionally, purchasing equipment to facilitate ongoing skilled meat cutter training programs to ensure we have the skilled labor force to respond to the increased demand for local meat over the long term is also critically important to effectively expanding meat processing in our state.

**Proposed Use of Reallocation:** In response to these pandemic-induced local meat demand surges, AAFM proposes a meat processing equipment procurement program and an education and training initiative to accommodate increased meat processing capacity and skilled workforce development opportunities.

## 1. Meat Processing Equipment Procurement Program - \$2,000,000

AAFM would establish a meat processing equipment procurement program to support new or existing facilities in need of equipment improvements to increase processing efficiency, productivity, workplace satisfaction, and safety improvements. AAFM would launch a Request for Proposals in November 2020 targeting any existing and new processing facilities, with design plans and equipment specifications available, to make equipment upgrades and new purchases to enhance their meat processing capabilities. Each award would also need to determine increased meat processing throughput achieved with new equipment purchases. No single award could likely exceed \$750,000.



2. Meat Processing Training Course Equipment Purchase - \$75,000

AAFM would partner with Vermont Technical College to establish an on-site meat processing training program equipped with the necessary meat cutting equipment to offer skilled meat processing workforce trainings. VT Tech has developed and offered a skilled meat cutters apprenticeship program in recent years to train meat processing skills and safety protocols and intends to offer this again in February 2021. Finding a reliable and consistently available location (traditionally a meat processing business) for these trainings has been challenging and has prohibited the course from being offered annually. As a result, VT Tech has committed to purchasing the necessary meat processing equipment to host the training program and offer other meat cutting workshops at the Randolph Center campus. Additionally, HCAAP trainings and plan development for those facilities in need of a HCAAP plan to begin operation under state or federal inspection would also be incorporated.



**Memorandum – November 3, 2020**

To: Bill Bates, AOE

From: Dave Westman, Efficiency Vermont

**RE: Request for additional CRF funding for shovel-ready School IAQ projects**

Pursuant to the terms of the ongoing Grant Agreement # 4595R1972001, version 2 executed between Efficiency Vermont and Agency of Ed on Oct 8, 2020, Efficiency Vermont requests an additional \$4.55 million in available CRF funds to fund incremental and additional school Indoor Air Quality projects.

Efficiency Vermont has informed the AOE administrative team that additional schools have continued to submit projects, and Efficiency Vermont is continuing to review scopes of work beyond the \$13.5 million under the current grant agreement. At this time we believe an additional 75 LEAs/Ind schools currently on the IAQ project waitlist could be served with an additional \$4.1 million in subgrants, plus incremental indirect at labor costs associated with administering the incremental projects.

**Proposed Scope of Work:**

The total number of unfunded, fully scoped (“shovel ready”), covid-necessary HVAC projects stands at \$3.3M, with an additional \$1M+ in nearly finalized scopes. We believe the scope of work is achievable before the end of the year, and an amendment to the agreement would hasten the finalization of scopes and lock in the projects.

A complete list of known projects on the waitlist can be made available upon request. However, we also note that 2/3 of current waitlisted projects are for schools that have not been awarded any grant dollars to date and would benefit greatly from the incremental allocation of funds. The remaining 1/3 of schools impacted by this request already have subgrant agreements with Efficiency Vermont, but would benefit from additional grant dollars to either fully fund or pay for deeper levels of project activities. There are still a small number of schools that have not enrolled in the program. If necessary, Efficiency Vermont will complete a new round of outreach as needed to fully expend the grant allocation

While most large equipment lead-times extend beyond 2020 at this point, most scopes of work would focus on small equipment and HVAC controls upgrades. For this reason, Efficiency Vermont believes there is still time to install small equipment to improve indoor air quality, and that there remains adequate access to installers who can complete the work before year-end.

### **Grant Agreement – Proposed Amendment #3:**

Efficiency Vermont requests an updated grant agreement for \$4.55M in additional allocation, which will include the following:

- \$4.1M for LEA subgrants directly. NOTE: The exact dollar amount for each project currently waitlisted fluctuates daily as refined scopes of work are submitted and as equipment and contractor availability are updated.
- Approximately \$390k in indirect costs for program delivery.
- \$50k for additional labor to serve more LEAs. NOTE: The labor cost to administer the school IAQ budget has, or will, exceed the initial \$100,000 allowance provided by the legislature.
- Agreement that additional funds will be made available in advance, as requested by Efficiency Vermont in a letter dated October 21, 2020

As we stated on our call last week, the cash flow expected in December is going to be significant, and in order to ensure that Efficiency Vermont and VEIC can administer this incremental level of funding, an advance funds following the December 7th notification to the Agency will be critical.

**VSAC has received \$10.1 million from CRF funds (\$5.0 million - H. 961, Sec. 49(a)(4) Act 120 and \$5.1 million - H. 953, Sec. 36(a)(6) Act 109) to help ensure that COVID-19-impacted students who are pursuing or who have pursued higher education have the necessary resources to be successful.**

**SUMMARY:** We anticipate spending \$2.35 million of COVID funds for State Grant Appeals, \$100,000 for the Advancement Grant, \$1.5 million in Technology stipends, and \$30,000 in emergency micro grants for a total of \$3.98 million between now and December. We are proposing to spend the remaining funds to offset the costs to VSAC and borrowers of providing targeted student loan relief to borrowers seeking payment accommodations because of COVID-19. We are offering two approaches to providing this relief for consideration. These proposals assume no extension in the December Federal expenditure deadline or the impact of the 2<sup>nd</sup> wave of COVID which is now being experienced across the country either of which could increase demand.

### **COVID-19 Student Loan Expenses**

As part of the CARES Act, the Federal government eliminated interest through September 30, 2020, on student loans that are ***owned or held directly by the Federal government***. Despite efforts by the Vermont Congressional delegation, this provision did not include loans held by state agencies, including the 16,000 VSAC borrowers with VSAC Advantage loans or the 21,000 borrowers with VSAC Federal Family Education Loans. President Trump announced through executive order his decision to extend this benefit through the end of this calendar year. Once again, this benefit did not extend to borrowers whose loans were made by state agencies like VSAC.

In order to provide support to borrowers whose loans were not addressed in the CARES Act, the State of Vermont joined with VSAC in entering into a [compact](#) with 15 other states and the District of Columbia (AZ, CA, CO, CT, IL, MA, MD, ME, NJ, OR, NY, RI, SC, VA, VT, WA and District of Columbia) in which student loan servicing organizations (including VSAC) were asked to agree to extend relief to borrowers negatively impacted by COVID-19. This relief was agreed upon through September 30. VSAC paid for and negotiated with the major bond Rating Agencies to be able to provide expanded relief to borrowers who live in these states and who had or were about to exhaust the relief VSAC is normally authorized to provide.

A key part of this relief is the ability to allow borrowers negatively impacted by COVID-19 to defer their payments because they have lost income. Unlike the relief provided in the CARES Act for Federal borrowers, interest continues to accrue while these VSAC borrowers are deferring their payments. Use of this benefit peaked at nearly 15% of VSAC borrowers early in the pandemic and has declined to 8-10% as many of our borrowers have returned to work.

This has an impact on both VSAC and the borrowers. VSAC loans are financed using the proceeds of tax-exempt bonds sold to bond investors and subject also to the ratings monitoring and oversight of the major bond Rating Agencies. Payments on these bonds must be made without regard to whether borrowers make their payments. For borrowers, the interest accrues on their loans during these times of approved non-payment, and must eventually be made up when they re-enter repayment.

The Vermont Department of Financial Regulation asked VSAC to extend this package of borrower accommodations for an additional three months through December 31, 2020. As noted above, the bond trust remains obligated to make bond payments without regard to whether borrowers make their

payments to VSAC. This is not dissimilar to the challenge the University of Vermont and the State Colleges faced when they were expected to reimburse families for room and board expenses. To date, VSAC has born these expenses without compensation.

VSAC is proposing to use up to \$6.1 million of the CARES Act Funding to offset the cost of providing targeted payment relief to borrowers who needed or need to defer payments as a result of COVID-19 (the Federal government is providing relief to all of its borrowers regardless of need). This would provide relief to roughly 1,440 borrowers who attended a Vermont institution, resided in Vermont when they were students or who currently reside in Vermont.

For reference, Pennsylvania, through its state agency, has provided a more robust benefit by mirroring the Federal executive order and using CARES Act funds to pay the interest on behalf of all of their non-federal/state loan borrowers between March 13 2020 (date of executive order) and September 30, 2020 (end of the original executive order).

**Option A: Anticipated Expenditure—Principal and Interest Payments for Borrowers Deferring Payments Because of COVID-19: \$6.1 million**

**Option B: Anticipated Expenditure—Interest Payments Only (no principal, only interest for Borrowers Deferring Payments Because of COVID-19: \$1.9 million**

## MEMORANDUM

**To:** Joint Fiscal Committee  
**From:** Michael K. Smith, Secretary, Agency of Human Services  
**Re:** CRF Request for reallocation of \$700,000 for quarantine and Stay At Home Stipend  
**Date:** November 2, 2020

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The Agency of Human Services requests the following CRF reallocation.

**Total Amount Requested:** \$700,000. The Agency of Human Services is seeking funding for the creation of a financial support program for Vermonters that have tested positive for COVID-19 or have been asked by the Department of Health to quarantine. The request for funding is through December 30, 2020.

**Response to the Pandemic:** Vermonters staying home when they test positive for COVID-19 or are identified as a close contact is essential to Vermont's response to containing and mitigating the spread of the virus. As we have seen in recent weeks, when individuals do not follow that guidance, cases can quickly spread to other groups and communities across the state. Most Vermonters have adhered to the Health Department guidance, but some Vermonters have expressed that being unable to work creates a financial hardship that is difficult to overcome. The Agency of Human Services, in collaboration with other departments and agencies, is proposing the creation of a stipend program that can be made available to Vermonters that will face financial hardship while they remain at home.

**Proposed Use of Reallocation:** The state proposes to create a stipend program for individuals that have been asked to quarantine and stay home and who will face a financial hardship because they are unable to work. The Department of Health, through their team of contact tracing specialists, will work with individuals that have been asked to remain at home and identify if they need financial assistance for day-to-day necessities, rent, or utilities. Individuals will be eligible to receive up to \$1,000 dollars in assistance, but the need and financial hardship must be identified by the individual in quarantine to qualify to receive funds. The program is needed to ensure that Vermonters do not attempt to work during their quarantine period and provides the necessary assistance to avoid financial hardship during that time. This program will help to ensure that Vermont does not take a step backwards in our efforts in mitigating the impact of COVID-19.

**Confirmation Proposal Complies with CARES Act CRF Guidelines:** This proposal, according to our consultant, is aligned with Treasury guidance which allows the use of CRF for means-tested individuals impacted by the COVID-19 public health emergency who are in need of financial assistance to meet their emergency needs during the pandemic. The guidance allows the use of CRF for "expenses of actions to facilitate compliance with COVID-19-related public health measures."



**MEMORANDUM****To:** Joint Fiscal Committee**From:** Sean Brown, Commissioner, Department for Children and Families**Re:** CRF Request for \$6.9 million appropriation for Child Care, Parent Child Centers, and Workforce Stabilization**Date:** October 30<sup>th</sup>, 2020

The Department for Children and Families (DCF) requests the following CRF reallocation.

**Total Amount Requested:** \$6,946,000. DCF seeks funding to cover additional needs in the Child Care Grant Program and to provide Workforce Stabilization funding to child care providers/employees.

**Response to the Pandemic:** In response to COVID-19, Child Care programs have suffered both income loss, resulting primarily from closure periods, and decreased enrollment. Compounding this income loss, programs have had increased expenses associated with providing care during the pandemic. Child care programs are currently open, providing much needed care to Vermont's children during the pandemic response. Additionally, child care programs are suffering a significant workforce shortage in the field. Programs are unable to find appropriate staffing and many of the former pools of applicants are no longer working due to risk factors and/or higher risk of exposure. Finally, Vermont's Parent Child Centers have suffered income losses associated with reduced revenues due to COVID, and increased demand, primarily in the form of material supports to clients as part of the COVID response.

**Proposed Use of Reallocation:** DCF proposes to reallocate funds to cover the following:

1. To Support Workforce Stabilization Payments to Child Care providers. (\$4M)

During the legislative session, the legislature, with support from the Administration, and strong advocacy from the field supported expanding the \$12M appropriation related to child care, parent child center, and Children's Integrated Services tele-health needs to allow for a Workforce Stabilization payment to be made to those employed in child care programs. It was expected that this program could be run within the original appropriation due to a projected underspend in the Operational Relief Grant Program. This projected underspend was attributed to the denial of structural/asset purchases requested from the field. Upon further clarification from Guidehouse (CRF Consultants), structural and asset purchases were subsequently approved after revised guidance was issued. Due to this shift, it is no longer expected that there will be an underspend in the original appropriation.

DCF is still supportive of the Workforce Stabilization Program as we recognize the significant workforce crisis that exists within the child care field. DCF anticipates a \$4M appropriation would provide between a \$500-750 payment to staff. DCF proposes this program is eligible for all care employees, including owners of family child care homes, rather than limiting the scope to the regulated system of care as the legislative language indicates given that the Hub Sites had approved "sign on

bonuses” for staff. Hub Sites never widely used these bonuses and as such there is funding in the appropriation to provide a similar payment to these staff members. Operationally, allowing all early care and learning professionals to apply will be easier for implementation as many of the staff work in multiple programs. This will ensure no double payments issued to the same person.

## 2. To Support Further Funding for the Parent Child Centers (\$846K)

The Parent Child Center’s received their first opportunity to apply for CRF funds through the Operational Relief Grant program in August. DCF has funded 100% of their eligible requests. The Parent Child Center Network has identified further expenses and projects eligible for CRF funding which they would like to pursue totaling an additional \$846K. DCF supports this request and would like to use underspend in the Hub appropriation to further the goals of the Parent Child Centers and the critical work they do for children and families in response to the COVID pandemic.

## 3. To Support Eligible COVID Income Losses/Expenses for Child Care Programs (\$2.1M)

The Operational Relief Grant Program allowed child care programs to apply for income losses and COVID expenses. The requested amounts exceeded the appropriation the approvable amount for the grant program is \$14.3M, this exceeds the appropriation (\$12M). To, ensure the appropriation is not overspent DCF issued grant awards pro-rated based on the appropriation. However, DCF has requested programs submit all receipts eligible and if further funds become available (either through subsequent appropriation or underspend in other child care program grant awards due to failure to move forward with a CRF project) than DCF may reimburse at a higher rate.

It should be noted that DCF does not anticipate programs submitting receipts to their total requests given that many of the original projects will be infeasible due to timing limitations surrounding CRF.

**Confirmation Proposal Complies with CARES Act CRF Guidelines:** The Workforce Stabilization Program was determined CRF eligible by Legislative Counsel during the legislative session and codified via an expansion of authority in Act 154. The Parent Child Center and Child Care Program funding is an expansion of the appropriation already approved by Guidehouse and operationalized as the Operational Relief Grant program.



VERMONT DONOR  
MILK CENTER  

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AT EVOLUTION PRENATAL & FAMILY

October 23, 2020

Hello Representative Toll,

Thank you for taking the time to learn more about the Vermont Donor Milk Center. The Vermont Donor Milk Center is a 501(c)3 nonprofit organization run by volunteers. Our mission is to supply life-saving nutrition and food security to infants in the greater Vermont and Northern New York area by providing access, **regardless of ability to pay**, to pasteurized donor human milk. We offer crucial support and education on the health benefits of breastfeeding for families working to establish healthy feeding routines and striving to reach their lactation goals.

Since the Vermont Donor Milk Center opened, no family has been denied financial assistance. With so many families out of work or with decreased work we have had an increase in financial assistance requests. Since the beginning of the COVID-19 pandemic, the need in our communities for pasteurized donor human milk has more than doubled. Families who are giving birth during this unprecedented time are leaving the hospital early to keep their families safe. This deprives them of critical lactation assistance that can often make it harder for new parents to transition smoothly from birth to home.

To continue to provide pasteurized donor human milk at the increased rate of need that we have seen during this pandemic, we are asking for \$15,000 from the State of Vermont to equalize nutrition for all new babies in Vermont. These funds would extend financial aid for families in need. To date we have helped 75 families provide pasteurized donor human milk to their babies. Of those, one-third have received financial assistance from our program. We have been able to provide financial assistance to every family that has requested aid, however not all families were able to receive the total that was prescribed by their physician due to the limitations of our financial aid funds.

Thank you so much for your time and your help.  
Sincerely,

Rachel Foxx and Amy Wenger  
Co-Executive Directors, Vermont Donor Milk Center



State of Vermont

Department of Vermont Health Access

[Phone] 802-879-5900

Office of the Commissioner

280 State Drive, NOB 1 South

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*Agency of Human Services*

## MEMORANDUM

**TO:** Joint Fiscal Committee

**FROM:** Cory Gustafson, Commissioner, Department of Vermont Health Access,  
Agency of Human Services

**CC:** Michael K. Smith, Secretary, Agency of Human Services  
Jenney Samuelson, Deputy Secretary, Agency of Human Services  
Ena Backus, Director of Health Care Reform, Agency of Human Services

**DATE:** October 30, 2020

**SUBJECT:** Response to COVID-19: Coronavirus Relief Fund Request of \$808,955 to Improve Access to  
COVID-19 Testing through the Blueprint for Health's Patient Centered Medical Homes

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**Total Amount Requested: \$808,955** of Coronavirus Relief Funds (CRF) to support 34 Blueprint-participating Patient Centered Medical Homes in expanding current COVID-19 specimen collection for diagnostic testing in accordance with the State of Vermont's coordinated COVID-19 testing plan.

**Proposed Use of Reallocation:** The reallocation of CRF would be used to **increase the availability of COVID-19 specimen collection**, and thus diagnostic testing, across the State of Vermont. Specifically, CRF would be used to fund an incentive program to increase COVID-19 specimen collection in a subset of Vermont's Blueprint-participating Patient-Centered Medical Homes (PCMHs) by making nasal (anterior nares) specimen collection available on a regular, weekly schedule and through incorporating specimen collection as a standard workflow for primary care with support from the Blueprint's network of quality improvement facilitators. Currently, issues with access to COVID-19 specimen collection for asymptomatic Vermonters have been identified across the State.

Blueprint-participating PCMHs who attest to offering a regular, weekly schedule of specimen collection will be eligible for a one-time set up payment and an enhanced payment based on number of specimens collected (i.e., in addition to Vermont Medicaid's current fee-for-service reimbursement for assessment and specimen collection) to offset practice costs associated with specimen collection (e.g., staff time, personal protective equipment, etc.). Payments to participating PCMHs would be issued by the Agency's VISION system by December 14, 2020 to achieve the December 30, 2020 CRF expenditure deadline.

**Confirmation Proposal Complies with CARES Act CRF Guidelines:** This request requires Guidehouse review and approval. However, the Program will be implemented with practices across all patients in

accordance with allowable use of Federal Coronavirus Relief Funds. Eligibility for the one-time set up payment and for the enhanced payment may be limited accordingly to practices that have not received federal funds to implement COVID-19 testing.

**Proposal's Role in Future Response Efforts to the COVID-19 Public Health Emergency:** In addition to incentivizing PCMHs to expand current specimen collection levels by addressing their cited barriers, the workflows and infrastructure developed for specimen collection in these practices will also provide infrastructure for adaption to support administration of COVID-19 vaccinations. This model offers an opportunity for further design work to develop an "all-payer" funding strategy for 2021, depending on fund availability and COVID-19 community circumstances.



State of Vermont

Department of Vermont Health Access

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*Agency of Human Services*

## MEMORANDUM

**TO:** Joint Fiscal Committee

**FROM:** Cory Gustafson, Commissioner, Department of Vermont Health Access,  
Agency of Human Services

**CC:** Michael K. Smith, Secretary, Agency of Human Services  
Jenney Samuelson, Deputy Secretary, Agency of Human Services  
Ena Backus, Director of Health Care Reform, Agency of Human Services

**DATE:** October 30, 2020

**SUBJECT:** COVID-19: Coronavirus Relief Fund Request of \$931,880 for Vermont Health Information Exchange Health System Data Access Required for Effective Public Health Response.

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**Total Amount Requested:** \$931,880 of Coronavirus Relief Funds (CRF) are requested for expenditures resulting from the use of the Vermont Health Information Exchange (VHIE) to **meet the State's needs for real-time exchange of health information as part of its public health response** to COVID-19. The VHIE has provided access to health data needed by the Agency of Human Services, its departments (including the Vermont Department of Health), and Vermont's health care system and supported Vermont's ability to respond effectively to the public health emergency. This request will fund activities through December 30, 2020.

**Proposed Use of Reallocation:** The reallocation of CRF would fund the continued acceleration of health information exchange with the Department of Health and entities in Vermont's health care system through services provided by Vermont Information Technology Leaders (VITL), the State-designated operator of the VHIE. The VHIE infrastructure has demonstrated an efficient and cost-effective mechanism for the exchange of real-time health information related to testing, hospitalizations, etc. This has reduced the burden on each individual entity involved in Vermont's public health response to gather data required for its part of the emergency response. This funding reallocation will support:

1. Collecting patient-level data for health investigations related to COVID-19, i.e., this automates a typically manual effort requiring the epidemiology team at the Department of Health to contact individual providers for patient information (\$7,500);
2. Providing real-time reporting of known and suspected COVID-19 hospitalizations (this previously required daily manual data collection by each hospital to provide mandated reporting to the Vermont

Department of Health and to the U.S. Department of Health and Human Services). This data is used by the Department of Health to monitor health care use and plan for surge capacity (\$335,230);

3. Ensuring emergency medical personnel have access to patient data (\$187,500);
4. Collecting COVID-19 results from new testing entities, reporting to the Department of Health and providers (\$144,000);
5. Developing feeds to health care organizations to deliver patient data and test results (\$210,000); and
6. Supporting planning for a COVID-19 immunization program and ensuring delivery of data to the Immunization Registry (\$47,650).

**Confirmation Proposal Complies with CARES Act CRF Guidelines:** This request requires Guidehouse review and approval.

**Proposal's Role in Future Response Efforts to the COVID-19 Public Health Emergency:** As a COVID-19 vaccine becomes available, the ability of the Vermont Health Information Exchange to capture and transmit information directly to the Department of Health and Vermont's health care providers will be a valuable tool for future response efforts.

## MEMORANDUM

**To:** Joint Fiscal Committee  
**From:** Monica Hutt, Commissioner, DAIL, Agency of Human Services  
**Re:** CRF Request for \$375,000 for Enhanced Capacity at Skilled Nursing Facilities (SNF)  
**Date:** November 2, 2020

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The Agency of Human Services requests the following CRF reallocation.

**Total Amount Requested:** \$375,000. AHS and DAIL seek the re-allocation of CRF funding to enhance capacity at Burlington Health and Rehabilitation, a Skilled Nursing Facility (SNF) to reduce inpatient admission pressures on UVMMC and increase the available hospital beds across the state to ensure capacity for any potential COVID surge during the fall and winter.

**Response to the Pandemic:** Currently, UVMMC has roughly 57 patients in need of placement in a skilled nursing facility. Other hospitals across the state are struggling to transfer patients to UVMMC for tertiary care due to the lack of available beds at UVMMC. It is critical to ensure UVMMC has capacity to address increasing COVID activity and a potential associated surge, particularly given the upcoming holidays. It is in the state's interest to ensure we have an adequate supply of SNF beds to meet the needs of UVMMC as well as other hospitals in the event we face a surge in the coming months.

SNF capacity to meet the discharge needs of UVMMC is complex. There are two primary issues: 1) stringent and necessary quarantine requirements for new admissions; and 2) lack of workforce.

Due to the stringent and necessary quarantine requirements currently in place at the SNF level, admissions capacity has been significantly reduced. New admissions must be quarantined in single rooms for 14 days. SNFs have had to convert double occupancy rooms for this purpose. Quarantine requirements stress an already strained workforce. It is less efficient in terms of space and it increases the amount of time needed to complete tasks given very stringent and necessary infection control protocols. As a result, higher staffing levels are needed to care for patients.

In addition, SNFs are challenged to admit patients with dementia and other cognitively related or mental health behaviors without additional staff support. Dementia patients, for example, need a staff person assigned to them at all times to help manage quarantine and infection control protocols. Finally, dialysis patients require transfer to a dialysis center for treatment multiple times per week, including early mornings, evenings and Saturdays which are difficult to staff. Given their increased risk of exposure due to transportation and receiving treatment with other dialysis patients in the



**Agency of Commerce and Community Development**

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community, infection control is critical. SNFs lack adequate transportation capacity to meet this need. A long-term focus may be to provide for dialysis units within SNFs so patients can receive dialysis in their SNF home. In the short term, increasing SNF capacity to transport patients for early morning and Saturday appointments will enhance their ability to admit these patients.

**Proposed Use of Reallocation:**

To gain some efficiency, we are proposing to fund Burlington Health & Rehabilitation Center (BHR) to allow it to open two currently vacant floors with a capacity for 40 single rooms, and a maximum 49 beds with some double occupancy consistent with quarantine requirements. To do so requires funding for initial nurse staffing, which competes with crisis rates being offered elsewhere, as well as funding for a new contract for a mental health/substance abuse counselor. The SNF suggests partnering with designated agencies wherever possible to provide this resource. In addition, funding to retain a nurse practitioner to assist the Medical Director in the admissions process could allow the SNF to admit patients more quickly. This is funding that needs to be provided in real time. The final proposal would add:

- 12 Nurse Aides
- 7 Nurse
- 1 Nurse Practitioner
- 1 Contracted Mental Health/Substance Abuse Counselor
- 1 Driver for Dialysis Patients (up to 40 hours per week)

**Total CRF for anticipated 9 weeks and 40-49 additional beds at BHR = \$375,000.00**

**Confirmation Proposal Complies with CARES Act CRF Guidelines:**

This program needs to be reviewed by Guidehouse though AHS believes it is eligible for CRF since it is focused on maintaining hospital bed capacity.



## MEMORANDUM

**To:** Joint Fiscal Committee  
**From:** Michael K. Smith, Secretary, Agency of Human Services  
**Re:** CRF Request for reallocation of \$3.5 million for COVID-19 testing  
**Date:** October 30<sup>th</sup>, 2020

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The Agency of Human Services requests the following CRF reallocation.

**Total Amount Requested:** \$3,500,000. The Agency of Human Services is seeking additional funding for COVID-19 testing through December 30, 2020.

**Response to the Pandemic:** Testing for COVID-19 is essential to Vermont's response to containing and mitigating the spread of the virus. Vermont's aggressive testing and tracing program has helped to protect high risk congregate settings such as long-term care and correctional facilities. Additionally, the testing approach has shifted from responding to outbreaks around the state, to regularly scheduled community testing and surveillance testing in certain environments such as college campuses. Having testing readily available to Vermonters across the state is integral to continuing to keep a low-positivity rate and ensure our health care system does not become overwhelmed.

**Proposed Use of Reallocation:** The University of Vermont Medical Center (UVMMC) has been a crucial partner since the start of the pandemic, and beyond providing medical bed surge capacity and health care workers to address outbreaks, they have added critical testing and laboratory capacity. On Wednesday, October 28, UVMMC was the victim of a cyberattack that have disrupted their operations including access to IT systems that are needed for testing. The state and UVMMC have worked quickly to develop new processes to ensure that the capacity to test Vermonters does not dramatically decrease. The state has engaged with CIC Health (CIC) to support the workarounds and we are confident that we will have capacity to continue to test up to 1200 Vermonters a day with additional capacity available in the case of an outbreak. The workaround will afford us to continue testing seven days a week for individuals that are symptomatic and asymptomatic. The sudden change in our existing testing plan, and the need to quickly pivot, requires additional resources to ensure we do not take a step backwards in our efforts in mitigating the impact of COVID-19 on Vermonters. The reallocation of funds will allow for the current testing schedule to occur without putting a further strain on Vermont's public health laboratory.

**Confirmation Proposal Complies with CARES Act CRF Guidelines:** COVID-19 testing is explicitly stated as an acceptable use in the CRF guidance, and it has previously been vetted by both legislative counsel and the Administration's CRF contractor.



108 Cherry Street – PO Box 70  
Burlington, VT 05402-0070  
**HealthVermont.gov**

To: Joint Fiscal Committee  
From: Tracy Dolan, Deputy Commissioner of Health  
Re: Independent Colleges COVID-19 Testing  
Date: November 3, 2020



The Department of Health submits the following request for Coronavirus Relief Fund allocation to Vermont independent colleges for testing costs.

**Total Amount Requested:** \$3,240,479

**Basis for Request:** Act 136, Section 19

The act directs the Department of Health to collaborate with Vermont’s independent colleges to determine the expenditures to conduct COVID-19 screening and testing and to identify available sources to cover these costs. If available funds are not sufficient to cover the colleges’ COVID-19 screening and tests, the act directs the department to submit, on behalf of the colleges, a request to the Joint Fiscal Committee for allocation of funds from the Coronavirus Relief Fund.

The Association of Vermont Independent Colleges has submitted a request for funding in accordance with Act 136 on behalf of its members. Each college has also provided a statement of its testing costs to date and an estimate of total costs through December 30, 2020, along with a description of the available sources to cover these costs.

The requested funding for each college is:

<b>Institution</b>	<b>Amount Requested</b>
Bennington College	\$ 413,779
Champlain College	\$ 1,036,000
Landmark College	\$ 180,000
Middlebury College	\$ 985,700
Norwich University	\$ 510,000
Saint Michael’s College	\$ 115,000
<b>TOTAL</b>	<b>\$3,240,479</b>



To: Dr. Mark Levine, Vermont Health Department  
From: The Association of Vermont Independent Colleges  
Date: November 2, 2020  
Re: Testing Costs

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Seven of the 11<sup>1</sup> members of the Association of Vermont Independent Colleges (AVIC) restarted on-campus learning this fall with robust testing protocols in place. As six<sup>2</sup> of these institutions have incurred significant testing-related costs, we are respectfully requesting \$3,240,4479 in reimbursement for the AVIC members with testing-related costs per the intent language from H. 965 (see italicized section below).

You may recall the Senate Education Committee sent a letter to the Joint Fiscal Committee on June 24, 2020 requesting that the private colleges be reimbursed up to \$5 million for testing costs. Language in H. 965 references this need, and the chart below provides further detail for each institution.

The colleges contracted with the Broad Institute of Massachusetts, an entity that does not bill health insurance companies for the testing. One reason Vermont's colleges decided to work with Broad was because test results could be received in 24 hours. This was key to ensuring the safety of the students, employees, and local communities despite the fact that Broad would not bill health insurance companies. It should be noted that AVIC institutions, UVM, and the Vermont State Colleges all used Broad for their testing and that Broad is presently the least expensive option in the Northeast.

Contracting with Broad proved to be a wise decision as college staff have been able to quickly identify positive cases and quarantine and isolate students immediately. Vermont has had one of, if not the, the safest college re-opening in the county.

It is important to keep in mind that the \$10 million in CRF funding allocated to all the independent colleges as part of H. 969 is separate and will help offset expenses in accordance with federal guidelines. Current COVID-related losses for AVIC members are estimated to be more than \$144 million. Losses of this magnitude are placing a severe strain on Vermont's private higher education industry, a sector that has seen five private colleges recently close. Further negative economic impacts could be widespread as the private colleges employ more than 9,000 people statewide and count annual institutional expenditures of over one half billion dollars. Simply put, the State, the students, and the communities cannot afford to lose more private higher colleges. We

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<sup>1</sup> Goddard College, Vermont College of Fines Arts and Vermont Law School are online only this fall and thus do not have testing costs. SIT has no students this semester

<sup>2</sup> Sterling College's costs are covered by a Federally Qualified Health Center.

recognize that CRF funding is limited but submit that these investments represent one of the best uses of federal dollars in Vermont.

**Testing Protocol & Costs**

In addition to testing students upon arrival to campus, and at day 7, each institution has its own supplementary protocol. These testing costs are not covered by health insurance, federal funds, or the Governor’s Emergency Education Relief Fund. There typically is no insurance that covers testing unless it is for diagnostic testing purposes.

<b>Institution</b>	<b>Fall 2020</b>	<b>Testing Protocol</b>
Bennington College	\$ 413,779	Testing all students once every week and employees that come in regular contact with students. All other employees that come onto campus tested once a month.
Champlain College	\$ 1,036,000	Testing all students and employees once a week.
Landmark College	\$ 180,000	Retested all students and many employees in a 2 <sup>nd</sup> testing cycle on 09/ 30 and will conduct a 3 <sup>rd</sup> test on 10/ 21 <sup>st</sup> and 4 <sup>th</sup> testing cycle on 11/4.
Middlebury College	\$ 985,700	Dynamic retesting, faculty, staff and students at a rate of 750 per week.
Norwich University	\$ 510,000	All students are tested every two weeks and employees every three. This amounts to 1200 test per week.
Saint Michael’s College	\$ 115,000	Weekly testing of 33% of the student population. Students will be tested 3-4 times during the fall.

<b>TOTAL</b>	<b>\$3,240,479</b>	
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**RELEVANT LEGISLATIVE LANGUAGE**

*H.965*

*Sec. 19. DEPARTMENT OF HEALTH; INDEPENDENT COLLEGES;  
COVID-19 TESTING*

*(b) The Department shall collaborate with Vermont's independent colleges to determine the expenditures to conduct the COVID-19 screening and testing and to identify available sources to cover these costs, such as health insurance coverage and federal funds, including those allocated to the Governor's Emergency Education Relief Fund. If available funds are not sufficient to cover the colleges' COVID-19 screening and tests, the Department shall submit a request to the Joint Fiscal Committee for allocation of monies from the Coronavirus Relief Fund to the colleges for the costs not covered by other sources.*

# BENNINGTON COLLEGE

To: Dr. Mark Levine  
Commissioner of Health  
Vermont Health Department

From: Brian Murphy  
Vice President for Finance and Administration  
Bennington College

Date: October 29, 2020

Re: Testing costs through December 30, 2020

This memo provides information regarding how Bennington College has funded its COVID testing costs to date, what other funding is available to fund these costs, as well as the total testing costs incurred to date and the total projected testing costs through December 30, 2020.

## **1. Current funding for testing costs and other funds available to cover testing costs**

The College has had to cover testing costs, which were (and remain) necessary in order for the College to reopen and operate safely using its normal operating income (which includes tuition payments, room and board fees, donations, etc.) as there were no other funds to cover these costs. Using these funds for testing has taken resources away from the intended use of these funds such as support of academic programs including the costs of faculty, administrative employees and academic support expenses.

No other government funding has covered the costs of testing. While the College did receive some CARES funding from the federal government in the spring, the \$296 thousand received was used to partially defray the \$1.3 million in unused room and board fees refunded to students when the campus closed to in-person instruction and students were required to leave campus.

Additionally, while the College also received \$5.9 million in funding from the Paycheck Protection Program through the Small Business Administration (SBA) in April 2020, these funds were all used prior to June 30, 2020 to support payroll, employee medical and retirement benefits, utilities and other qualifying expenditures. Testing did not commence until August so this funding was completely exhausted prior to the start of COVID testing on campus.

Any funds that the College receives from the State of Vermont from the CRF will be used to offset the large reduction in revenue due to the fall in enrollment, the lost room and board revenue from those students opting to study remotely, and additional financial aid that the College has had to provide students whose families have been severely adversely impacted by the pandemic. The College has calculated the total cost of financial losses to the College as over \$8 million. While the PPP helped with much of these losses, even the remainder not covered has posed serious issues.

The costs of testing could not be covered through students or employee medical insurance for a variety of reasons including the following:

- The College requires that symptomatic students and employees not come onto campus so, by definition, these tests were not medically necessary as the tests were conducted on asymptomatic individuals.
- The vast majority of Bennington students are from outside of Vermont. Understandably, their medical coverage is largely through policies carried by families at their homes outside of Vermont. The policies require a medical emergency to cover out-of-network costs. Testing of this type is not considered a medical emergency. These insurance providers are not in Vermont and are not required to cover these Vermont costs.
- Further, the testing providers, i.e. Aegis for the arrival testing and the Broad Institute for the ongoing testing, would not bill insurance companies. The College was required to pay these costs directly in order to have tests available to support the reopening of campus.
- As the College is not a provider of laboratory services and insurance companies will not accept testing bills indirectly. To be covered, the cost of medical tests must come typically come through labs with which the insurance provider has existing agreements as to fees. The College did not have a mechanism to bill this to insurance companies.
- Even with the College paying for the cost of COVID testing, overall enrollment fell 11%. Further, the number of students studying remotely in the Fall term is 20% which also reduces income as the College earns no income from students not enrolled and has reduced income from students studying remotely as the institution cannot charge room and board fees to those students. The net effect of both of these impacts is the number of students physically on campus is a third less than last year. Requiring families to cover the cost of testing would have further decreased on campus enrollment, which is critical to maintain at this time.
- Note that COVID tests for symptomatic students would be charged to their medical insurance as there is a medical necessity for these tests.
- Approximately, 25 percent of the total testing cost relates to the testing of College faculty and staff under the protocols adopted by the College to support a safe environment. As the College's employee medical plan is self-funded, these costs would have been borne by the College anyway.

**2. Costs incurred to date for testing, testing management software, temp employees to man the testing site - \$247,207.38**

**3. Estimate of total costs to be incurred through 12/30/20 for testing, testing management software, temp employees to man the testing site - \$413,779.00**

To: Mark Levine, MD, Health Commissioner, Vermont Department of Health  
From: Benjamin Ola. Akande, President  
Shelley Navari, Vice President Finance  
Date: October 30, 2020  
RE: CHAMPLAIN COLLEGE TESTING COSTS

Champlain College Inc. has incurred significant losses and investments of approximately \$12 million to support health and safety and COVID-19 risk mitigation between Spring 2020 through Fall 2020. These include a campus closure, an aggressive fall testing program, decreased density by reducing the number of students housed on campus, increased cleaning, and technology improvements.

The College has invested heavily in a surveillance testing program to support the safe opening of our campus this fall. We believe this has been a critical component of our low infection rates to date. We have contracted with the Clinical Research Sequencing Platform LLC (CRSP), a subsidiary of the Broad Institute, to process approximately 1,450 surveillance tests/week, as well as with Garnet Transport Medicine LLC to run our test collection program. As of October 30, 2020, we have spent approximately \$1 million in testing costs; including approximately \$518,000 to CRSP for testing and \$518,000 to Garnet for test collection. This encompasses a weekly surveillance testing regime for our students, faculty, and staff, as well as third-party campus partners including dining service, cleaning, and transportation. We will have administered over 20,000 tests by January 2021 as part of our fall health and safety measures.

The College did explore both the possibility of other testing programs and the potential to bill insurance. We found no viable path to utilize student insurance to fund our testing program. The Broad Safe for Schools does not accept insurance. Broad was the only lab with the capacity to run the volume and cadence of testing needed for our surveillance testing program. Furthermore, the College does not have the administrative infrastructure to bill for medical services; this is not a change we could have implemented in the short time period since the pandemic started. The College explored several other testing options as well. The only other lab we found that stated they were able to commit to the volume and cadence we needed and were willing to bill insurance was a private lab out of Tennessee. We were not able to verify that this lab could manage this volume, nor were they able to commit to a test turnaround time that we believe is critical for surveillance testing to be effective. Our understanding is that at this point the majority of our students' insurance providers would not cover surveillance testing. If an insurer did not pay (and most we knew would not), the College would then be billed \$140/test, which would have been exponentially more expensive than \$25/test through the Broad. We also explored test collection through the UVMCC laboratory at a cost of @ \$100/test. However, they were not able to handle any of our surveillance volume; they would have only been able to manage symptomatic testing volume.

Champlain College has received CARES Act Funds from the U.S. Department of Education and we anticipate a CRF grant from the State of Vermont.



We have used the CARES Act funds to provide direct payments to students who were affected by the COVID-19 pandemic and to provide relief to the College for the significant costs associated with the Spring 2020 closure, which included approximately \$2.5 million in refunds to students who were forced to leave campus early and increased technology investments to ensure a successful spring remote experience. In addition, the College had loss revenue of approximately \$1.5 million related to cancellation of on campus summer events and programs.

If funds are received from the State of Vermont CRF funding, the College plans to use this to help offset losses of approximately \$5 million related to the room and board revenue reductions from de-densifying our campus, which was necessary to ensure a safe return to the fall semester 2020. This also helps to offset the \$1.3 million from lost summer 2020 revenue from our events and summer programs due to the closure of our campus.

These additional expenses and lost revenue far exceed both the federal CARES Act funds available to the College as well as the anticipated grant of Vermont CRF funds.

We greatly appreciate your consideration in providing additional support to Champlain College to offset the approximately \$1 million for the fall semester testing program to ensure we can continue to sustain the operations of the College and contribute to the economic viability of our state.





To: Mark Levine, MD, Health Commissioner, Vermont Department of Health  
From: Peter Eden, Ph.D., President  
Jon A. MacClaren, Executive Vice President  
Date: October 29, 2020  
**RE: TESTING COSTS**

Landmark College has incurred significant testing expense this academic year using the services of the Broad Institute in Cambridge, MA. Landmark College does not have the administrative ability to bill individual medical insurance providers for the cost of this testing.

As of October 29, 2020, Landmark College has spent approximately \$80,000 on Testing and Testing Data Management. The estimate of total Testing and Testing Data Management expense through December 30, 2020 is approximately \$180,000.

Landmark College did not expect or budget for this testing expense when the current fiscal year revenue goals were determined in early February 2020.

Landmark College has received CARES Act funds from the US Department of Education and we anticipate a CRF grant from the State of Vermont.

We have used the CARES Act funds to provide direct payments to students most financially affected by the COVID-19 pandemic. Remaining CARES Act funds will reimburse Landmark College for the purchase of equipment and supplies in response to the pandemic as well as the expense of employing additional health care professionals and custodians to actively clean and disinfect classrooms, residence halls and other College spaces.

We plan to request State of Vermont CRF funds to reimburse Landmark College for room and board revenue refunded to students during Spring Semester 2020 as well as offsetting lost revenue from cancelled Summer 2020 rentals of campus facilities, reduced enrollment in Summer 2020 short-term academic programs and reduced Fall Semester 2020 enrollment.

These additional expenses and lost revenue exceed both the federal CARES Act funds available to the College as well as the anticipated grant of Vermont CRF funds.

Any additional relief funds provided by the State of Vermont to offset this \$180,000 cost of testing would be greatly appreciated.

Thank you.



October 29, 2020

TO: Dr. Mark Levine, Vermont Department of Health  
FROM: David J Provost, Executive Vice President Finance & Administration  
TOPIC: Testing and other Covid-19 related Costs – Middlebury College

In response to Vermont Department of Health Deputy Commissioner Tracy Dolan's request, we at Middlebury College provide the following information:

1. Middlebury College has received the first half of the CARES Act funds from the US Department of Education and we anticipate a CRF grant from the State of Vermont. We have used the CARES Act funds to provide direct payments to students most financially-affected by the COVID-19 pandemic, all money has been spent as of today. We will request the second half of the CARES Act funds next week to reimburse a small portion of the nearly \$9 million refunded to students last April for lost room and board. We plan to request State of Vermont CRF funds to reimburse Middlebury College for costs associated with preparing the campus for the Covid-19 semester, cleaning costs, tent rentals, PPE, IT investments for remote learning and teaching, and the cost to retro spaces to decrease density. These additional expenses and lost revenue exceed both the federal CARES Act funds available to the College as well as the anticipated grant of Vermont CRF funds. In addition, Middlebury College has incurred significant testing expense this year using the services of the Broad Institute in Cambridge, MA. Middlebury College is self-insured and our plan requires us to cover costs associated with Covid-19 testing, secondly, our student health insurance plan (Wellfleet Student Insurance) does not cover student covid-19 dynamic testing, and will only cover students presenting symptoms, and finally Middlebury does not have the administrative ability to bill individual medical insurance providers for the cost of this testing.
2. As of today, October 27, 2020, Middlebury College has spent approximately \$541,000 on Testing and administrating the ongoing dynamic testing.
3. The estimate of total Test cost and administration of test expense through December 30, 2020 is approximately \$985,700.



# NORWICH UNIVERSITY™

Expect Challenge. Achieve Distinction.

To: Dr. Mark Levine, the Vermont Department of Health  
From: Lauren D. Wobby, CFO and Treasurer, Norwich University  
Date: October 29, 2020  
Re: COVID-19 Testing Costs

In response to Vermont Department of Health Deputy Commissioner Tracy Dolan's request, we are please to provide the following from Norwich University in support of the request for funding:

1. Norwich University has received CARES Act Funds (Institutional Portion) from the US Department of Education in the amount of \$1,002,307. We have reported to the government the disposition of this funding as "providing reimbursement for tuition, housing, room and board, or other fee refunds." This is approximately one third of the amount we refunded to students. In addition, we are gratefully anticipating receipt of State of Vermont CRF funds. The amount we believe we will receive is \$1,237,261. This money will serve as partial recovery for income lost by limiting our student residential capacity to two students per room, and/or from students who have chosen to study remotely because of COVID-19 concerns. The total loss of income in this academic year from students not in residence is approximately \$3MM; approximately half of that is attributable to fall, 2020.
2. In order to accomplish the goal of a safe and healthy return to campus, we have instituted a rigorous testing protocol for employees and students. We have committed to 20,400 tests for the fall semester from the Broad Institute. For this service we have been billed, and paid, \$510,000. We anticipate paying a similar amount under the spring contract presently being constructed. In addition to the testing cost, we are incurring additional personnel costs in the amount of \$10,000 through December 31, 2020. These extraordinary expenses were not contemplated in our normal operating budget.
3. There is no third-party insurance company to bill for the cost of employee screening as we are self-funded. Additionally, the carrier of the student health program we support for our students have clearly stated they will not cover prophylactic testing. Roughly a quarter of our residential students are subscribing to this carrier. We have no administrative capability to bill other individual medical insurance providers for the cost of this testing, even if they would pay for it.
4. We appreciate the opportunity to apply for an Economic Recovery Grant from the Agency of Commerce and Community Development. If we were so fortunate as to receive the maximum grant of \$300,000, this money would offset the loss of summer, 2020 programing and conference services income that exceeds this amount.
5. Recovery funding that could help relieve the extreme burden the cost of testing is putting on our already strained budget would be profoundly helpful and deeply appreciated.

OFFICE OF FINANCIAL AFFAIRS

158 HARMON DRIVE NORTHFIELD VT 05663-1035 T 802.485.2040 F 802.485.2727 WWW.NORWICH.EDU

To: Dr. Mark Levine, Vermont Department of Department  
From: Robert S. Robinson, Vice President of Finance  
Date: October 30, 2020  
Re: Testing Costs

During the summer, Saint Michael's College developed a student Covid-19 testing protocol utilizing the services of the Broad Institute. In light of recent developments on campus, Saint Michael's has significantly increased its order from Broad for the remainder of the semester. As of today, we anticipate spending approximately \$325,000 through December 31, 2020 on student testing. The college elected to charge students a \$150 per semester testing fee, originally intended to cover the full cost of the testing protocol. With the addition of weekly testing through Thanksgiving, we estimate approximately \$115,000 of unfunded testing expense. Saint Michael's elected not to attempt to bill student's health insurance carriers due to a lack of administrative support and expertise to manage such a program, as well as a general belief that insurers would not cover the cost of a surveillance testing program.

In addition to \$593,400 for distribution to students through the Federal CARES Act, the College received \$593,400 for institutional purposes, which will be used to offset the \$3,000,000 of spring Residence Fee refunds provided to our students because of our campus closure in March. Additionally, Saint Michael's is expecting approximately \$1,200,000 from the State of Vermont Coronavirus Relief Fund allocations to Vermont private colleges. The Vermont CRF funding will also be applied to reimbursing the College for Residence Fee refunds. Even with these two sources, Saint Michael's has \$1,200,000 of net lost revenue from spring 2020 residence fees. In addition, the College estimates additional expenses of approximately \$200,000 (technology, PPE, cleaning services) and approximately \$3,800,000 of other lost revenue sources (enrollment declines; fall residence fees from students studying fully remote; summer conferences, camps, and events.)

Any additional relief funds the State of Vermont can provide to help offset the \$115,000 of unfunded testing through December 31, 2020 would be greatly appreciated.

CC: D. E. Lorraine Sterritt, President, Saint Michael's College  
Jonathan D'Amore, Chief of Staff, Saint Michael's College  
Susan Stitely, President, Association of Vermont Independent Colleges

## MEMORANDUM

**TO:** Joint Fiscal Committee  
**FROM:** Susanne Young, Agency of Administration  
**RE:** CRF request for additional support for the Hazard Pay program  
**DATE:** November 2, 2020

In accordance with Act 154 (Section B.1108), the Agency of Administration requests the following CRF reallocation.

**Total Amount Requested:** \$8 million

**Response to the Pandemic:** Approximately \$50.5 million of CRF money was appropriated in total for two rounds of Hazard Pay Grants. The initial round exhausted nearly all of the \$28 million appropriated, and the second round, which opened for applications on October 28<sup>th</sup>, has already received approximately \$28 million in requests although the second round was only appropriated \$22.5 million. The Department of Financial Regulation is administering the second round of Hazard Pay Grants.

**Proposed Use of Reallocation:** The Agency of Administration requests \$8 million in reallocated CRF to cover the costs to ensure every that eligible employee can receive a Hazard Pay Grant. The Department has already received \$28 million in requests for the second round and anticipates receiving another \$500,000 of smaller grant requests until November 13<sup>th</sup> when the program closes. There are, however, a small number of very large businesses who have not yet applied, and if they do, we anticipate approximately \$5 million will be required to meet those requests. Further, the Department has already denied approximately \$250,000 worth of applications for being ineligible and anticipates denying somewhere between \$2 to \$3 million more of applications due to eligibility issues. Accordingly, approximately \$8 million of additional funding would be required to ensure all applications deemed eligible are able to receive funding.

### **Confirmation Proposal Complies with CARES ACT CRF Guidelines:**

Confirmation has been received from Guidehouse that the Hazard Grant Program complies with CARES Act CRF guidelines. Further, the process for receiving, reviewing, and paying Hazard Pay Grant applications has been established and is ongoing. It is anticipated that all applications will be reviewed, and funds dispensed to eligible employers and employees, well in advance of the December 30, 2020 CRF timeline.

