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Agency of Administration
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Adam Greshin, Commissioner

TO: Joint Fiscal Committee
FROM: Adam Greshin, Commissioner, Department of Finance and Management
CC: Susanne Young, Kristin L. Clouser, and Doug Farnham
DATE: December 18, 2020
SUBJECT: CRF Reallocation Requests

Attached, please find six requests made to the Joint Fiscal Committee for approval to reallocate CRF monies, as follows:

| | | |
|---|---------------------|-------------------------------------|
| 1 | \$ 15,898 | Auditor |
| 2 | \$ 1,065,000 | AOT |
| 3 | \$ 250,263 | ADS |
| 4 | \$ 250,000 | DCF – Foster Parents Grant |
| 5 | \$ 1,300,000 | DCF – Supplemental Reach Up Grant |
| 6 | \$ 300,000 | PSD – Arrearages Assistance Program |
| | \$ 3,181,161 | TOTAL |

DOUGLAS R. HOFFER
STATE AUDITOR



STATE OF VERMONT
OFFICE OF THE STATE AUDITOR

PROPOSAL # 1

TO: Adam Greshin, Commissioner, Department of Finance and Management
FROM: Andrew Stein, Deputy State Auditor
DATE: November 30, 2020
SUBJECT: CRF Request for reallocation of \$15,898.34

The Vermont State Auditor's Office (SAO) requests the following CRF reallocation.

Total Amount Requested: \$15,898.34.

Use of Funds: The SAO tracked necessary expenditures for our office that were: 1) incurred due to COVID-19; 2) not accounted for in the budget approved as of March 27, 2020; and 3) incurred during the period from March 1, 2020 to December 30, 2020.

Those expenditures, which total \$15,898.34, were for two major categories of spending:

1. \$15,558.03 for salaries and benefits; and
2. \$340.31 for COVID-related operational matters.

The expenditures for salaries and benefits were for employees who were taking care of children while schools and childcare facilities were closed or were stranded in another state in March due to flight cancellations without access to adequate work equipment. The SAO consulted with the Department of Human Resources about these matters and coded time accordingly.

The operating expenses were for: equipment for employee health screening, hand sanitizer, equipment for an employee that started at the office remotely, postage to ship equipment for a remote employee and a stranded employee, and an enhanced teleconferencing license so that the office can conduct its usual business in a remote setting with external parties.

Without a CRF allocation, most of these additional COVID-related expenses would be billed to departments and agencies through the SAO's Internal Service Fund.

PROPOSAL # 2

TO: Adam Greshin, Commissioner, Department of Finance and Management
FROM: Joe Flynn, Secretary, Agency of Transportation
DATE: November 16, 2020
SUBJECT: CRF request for \$1,065,000 for Traffic Communication and Data Collection, DMV operations, and AOT Emergency Operation Center operations

Agency of Transportation (AOT) requests the following CRF reallocation.

Total Amount Requested: \$1,065,000

Response to the Pandemic: Beginning in March, AOT has been collecting traffic data used by the Governor's office to monitor the volume of travelers in and out of Vermont. The summer months allowed the Agency to collect that information using equipment, but the snow season will require staff to collect the data in-person. This will increase AOT's payroll and equipment costs related to the pandemic response. The planning and administration of this effort and other Agency objectives (ie. delivery of Personal Protective Equipment (PPE) as directed by the State Emergency Operations Center (SEOC)) will also require additional staff time allocated to the Agency Emergency Operations Center. There is also a new effort to put up static signs at each border crossing in the State, which will require funds as FEMA match. The signs will offer State COVID-19 guidance to travelers who cross into Vermont.

The Department of Motor Vehicles (DMV) will also incur additional costs than previously estimated to maintain operations in various branch offices. These expenses are primarily related to reducing the amount of people in one general area at the same time in addition to expanded cleaning and sanitization. The costs include online scheduling systems, cleaning contracts, temporary staff to direct the flow of customers, PPE, and retrofitting offices per CDC guidance. There have also been previously unexpected costs to continue delivering Commercial Driver's License tests and training that involved significant earth work.

Lastly, the Transportation Maintenance Center, who coordinates plowing and road maintenance through the winter months, will need radio equipment to operate remotely. There are only three operators who need to stay in communication with the plow drivers on the road. They are critical through the winter and the Agency cannot afford to increase exposure of these employees. The radio equipment will allow them to safely manage all winter operations while working from home.

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Proposed Use of Reallocation:

Each of these activities have been identified as a priority through the Governor’s office or through the SEOC. And as the efforts have expanded from the Agency’s last CRF request in September, we request an additional \$1,065,000 CRF to be spent approximately as follows:

| Activity | Estimates through Dec. 30th |
|------------------------------------|------------------------------------|
| Vtrans Payroll | 745,429 |
| Vtrans Equipment and Supplies | 300,000 |
| DMV Estimates | 520,868 |
| Temporary CDL Project (Earth Work) | 130,000 |
| Radios for TMC Operators | 65,000 |
| COVID signage FEMA Match | 12,500 |
| Total | 773,797 |
| Available CRF Appropriation | 708,797 |
| Outstanding CRF Need | (1,065,000) |

Confirmation Proposal Complies with CARES ACT CRF Guidelines: The expenditures outlined have been reviewed by the Administration’s CRF contractor (Guidehouse) and have been deemed to comply with CRF guidance.

PROPOSAL # 3

TO: Adam Greshin, Commissioner, Department of Finance and Management
FROM: Kate Slocum, Chief Financial Officer, Agency of Digital Services
DATE: Monday, December 7, 2020
SUBJECT: CRF Request for Reallocation of Funds

Total Amount Requested: \$250,263: The Agency of Digital Services (ADS) requests CRF dollars to resolve a US Treasury reporting issue within the CARES Grant Programs.

Response to Pandemic: This reversion of funds will be used to address a reporting compliance issue found within various CARES Grant Programs.

During the requirements-gathering stage of the first CARES Grant Program through the Agency of Commerce and Community Development (ACCD), Finance and Management provided requirements for the Substitute W9. The requirements were to be used across every new CARES Grant Program created within the Salesforce Platform such that the State would have one standardized form for all the programs. However, many grant programs deviated from that standard set of W9 requirements. These deviations have resulted in grant programs which are not in compliance with US Treasury requirements.

Based on the SOV's internal discovery sessions, Finance and Management provided adjusted requirements for the Substitute W9 which will standardize the appearance of the form for all the CARES Grant Programs and comply with US Treasury reporting requirements. Finance and Management also included requirements which made multiple form templates necessary for each grant application, adding significant complexity to the development effort. ADS is currently working with a contracted vendor to apply the solution and will require both vendor and internal staff support, resulting in increased costs for the CARES Grant Programs.

Proposed Use of Reallocation: Without this solution, the State's various grant programs will not comply with the US Treasury requirements which may lead to extensive audit findings.

Confirmation Proposal Complies with CARES Act CRF Guidelines: The proposed use of CRF, as outlined above, is explicitly stated as an acceptable use in the CRF guidance and was previously vetted by the Administration's CRF contractor.

PROPOSAL # 4

TO: Adam Greshin, Commissioner, Department of Finance and Management
FROM: Sean Brown, Commissioner, Department for Children and Families
DATE: December 4, 2020
SUBJECT: CRF Request for \$250K for One-Time Foster Parent Supplemental COVID Payment

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

Total Amount Requested: \$250,000 - DCF seeks funding to cover a one-time payment to foster parents caring for children and youth in custody during the COVID pandemic.

Response to the Pandemic: In response to COVID-19, foster parents have faced increase financial stress in providing foster and kinship foster care, including higher expenses in food and utilities, technology costs for remote learning and potential income shortfalls due to the pandemic. Since the transition to remote learning, there have been no increased funds to support foster parents despite the increased needs. Given the recent surge in COVID cases and increased need for isolation, it is critical to provide this additional relief to foster parents to support the children.

Proposed Use of Reallocation:

DCF proposes to reallocate funds to cover a one-time payment of approximately \$300 per child/youth. As of 9/30/20 the Family Services Division had 825 children and youth in foster and kinship foster care. This one-time payment will assist foster parents in covering unexpected costs associated with the COVID pandemic including increased food and utilities, and technology costs associated with remote learning.

If these funds are approved by 12/22/20, DCF will be able to issue payment by 12/30/20. DCF plans to generate a one-time payment file from the SSMIS system to process these payments before 12/30/20.

Confirmation Proposal Complies with CARES Act CRF Guidelines: While DCF to date has not used CRF funding to provide supplemental payments to foster parents, other States have used their CARES Act CRF funds to provide supplemental payments to foster families. DCF believes this is an allowable expenditure under the Treasury guidance.

PROPOSAL # 5

TO: Adam Greshin, Commissioner, Department of Finance and Management
FROM: Sean Brown, Commissioner, Department for Children and Families
DATE: December 17, 2020
SUBJECT: CRF Request for \$1.3M for Supplemental COVID Payment to Reach Up Families

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

Total Amount Requested: \$1.3M - DCF seeks funding to cover a supplemental one-time payment to Reach Up families currently dealing with the economic impact of the COVID pandemic.

Response to the Pandemic: In response to COVID-19, Reach Up families have faced increased financial stress including higher expenses in food and utilities. DCF proposes providing a supplemental payment to Reach Up families to assist in these extra costs.

Proposed Use of Reallocation:

DCF proposes to reallocate funds to cover a one-time payment of approximately \$432.50 per family. DCF expects this payment to benefit 3,005 Reach Up families who have been impacted by the pandemic. This one-time payment will assist families in covering unexpected costs associated with the COVID pandemic, specifically addressing increased costs in food.

DCF plans to generate a one-time payment file using the Vision Interface system to achieve these payments before 12/30/20.

Confirmation Proposal Complies with CARES Act CRF Guidelines: DCF has provided a Reach Up payment in this amount to families previously using CRF funding. DCF plans to issue a supplemental payment to specifically address the increased costs associated with food.

PROPOSAL # 6

TO: Adam Greshin, Commissioner, Department of Finance and Management
FROM: June Tierney, Commissioner, Vermont Department of Public Service
DATE: December 16, 2020
SUBJECT: CRF request for \$300,000 additional support for the COVID-19 Arrearage Assistance Program (VCAAP) to deliver awards for all qualifying applications received prior to end of program

The Department of Public Service (“the Department”) requests the following CRF reallocation.

Total Amount Requested: \$300,000. The Department of Public Service requests additional funding to leverage the existing VCAAP to provide assistance to applicants that submitted applications in a timely fashion but were denied because funding was exhausted prior to end of program and timely review of applications.

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 program was expanded to include an additional \$500,000 for community and municipal water and wastewater systems on November 5, 2020. Like other programs in Act 137, the arrearage assistance program helps residential and business customers recover from economic hardship due to loss of income caused by the pandemic. The Department worked in partnership with Vermont’s utilities and other service providers to establish the program including an online application and review function. On the first pass, utilities review applications to identify and input qualifying arrearages into the software. Then, the Department issues payments on behalf of customers directly to participating utilities.

Twenty-five Vermont utilities that are regulated by the Public Utility Commission have been active in the process. An additional 130 water and wastewater systems have been either active or participating. The five community action agencies staff helped applicants with limited access to the Internet to file online applications. The Department retained the services of a third-party reviewer to review and input eligible arrearages for non-participating utilities. To date, the Department has received nearly 12,500 applications and provided more than \$8.2 million in assistance (the balance is associated with administration, marketing, and software changes). The Department met or is meeting the initial program target to spend the full amount of the \$8.5 million allocated for VCAAP and expansion to water and wastewater. The Department estimates that fulfilling the requests of all the timely applications will require approximately an additional \$300 thousand.

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Proposed Use of Reallocation: The Department received applications for the program through the deadline of midnight on December 15. Many applications were received up to the last minutes, but the Department is particularly concerned with applications that were received a month earlier but not acted on. These applications were held without action because of the lagging participation of very small community and municipal water and wastewater utilities that did not timely review them due to earlier software or human error. The Department is proposing to use the additional funding to provide awards to all of these earlier applications and the timely applications that were received during the last day of the program.

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.