



GENERAL ASSEMBLY
STATE OF VERMONT
LEGISLATIVE JOINT FISCAL COMMITTEE

Monday, December 21, 2020

Minutes

Videoconference

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

Other attendees: Joint Fiscal Office and Administration staff and various viewers on live stream.

Senator Cummings, Chair, called the meeting to order at 9:30 a.m., and Senator Westman moved to approve the minutes of December 9, 2020. Senator Kitchel seconded the motion, and the Committee approved the motion and the minutes. Senator Westman moved to approve the minutes of December 15, 2020, and Representative Fagan seconded the motion. The Committee approved the motion and the minutes. Senator Westman moved to reconsider the vote on the minutes of December 15, 2020, and the minutes were held for revision and reconsideration at the next scheduled meeting.

A. Update on Coronavirus Relief Fund Expenditure Status

Adam Greshin, Commissioner, Department of Finance and Management, updated the Committee on the status of Coronavirus Relief Fund (CRF) expenditures, explaining that the Administration anticipated additional reversions that would prompt reallocations possibly later in the week. Currently there was \$14 million of unallocated CRF from the Agency of Education (AOE) and \$10 million from the Health Care Stabilization Fund that was held for possible FEMA claims and was now available for reallocation. Representative Ancel requested a document outlining the current status of CRF allocations.

The Commissioner stated to the Committee that the Administration's intent was to present additional reallocation requests to the Committee before the end of the month but would need a few days to confirm numbers and the possible new federal legislation that could potentially extend the deadline for expenditure of CRF. In responding to questions, Lindsay Kurrle, Secretary, Agency of Commerce and Community Development (ACCD), explained that the Governor's Local Communities and Solutions Task Force presented a report recommending universal broadband and childcare, but the Governor has not yet decided if he supports those proposals.

Senator Kitchel suggested the Committee focus on the package of requests, totaling \$3,181,161, that were received the previous week and set aside the request for Expanded Economic Development Grants, received at 8:04 p.m. on Sunday, December 20, 2020, for a separate conversation. She added that considering Congress's agreement on a new federal aid package and an extension of the current CRF, more conversation might be needed to better understand how that change

affects the Committee's authority to review/approve requests. The Senator then moved to approve requests #1 through #6, totaling \$3,181,161. Representative Toll agreed that the December 20 request should wait until "Other Business" on the agenda for discussion and asked that the Legislative Counsel review Sec. B.1100 of Act 154 of 2020 and possible impacts of the new federal deadline for CRF expenditure. Senator Sears requested additional information on the reallocation of the \$14 million from AOE and whether any of those funds could be used to soften the impact of the projected 9-cent increase on property taxes in FY 2022 or the issues that seem to be plaguing schools from the impacts of the pandemic.

Representative Ancel reiterated her request to review the current status of CRF, and Stephanie Barrett provided a document of [All CRF Appropriations by Category](#), as of the December 15, 2020, actions taken to date, and noted there currently was \$9,606,922 in available CRF for reallocation.

B. CRF Requests for Reallocation Totaling \$3,181,161

Commissioner Greshin reviewed the CRF reallocation requests as follows:

1. Total Request \$15,898.34 to the Vermont State Auditor's Office (SAO) for two major categories of spending: \$15,558.03 for salaries and benefits; and \$340.31 for COVID-19-related operational matters.
2. Total Request \$1,065,000 to the Agency of Transportation (AOT) for Traffic Communication and Data Collection, DMV operations, and AOT Emergency Operation Center operations.
3. Total Request \$250,263 to the Agency of Digital Services (ADS) to resolve a U.S. Treasury reporting issue within the CARES Grant Programs.
4. Total Request \$250,000 to the Department for Children and Families for One-Time Foster Parent Supplemental COVID-19 Payment. The Commissioner added that this request was predominantly food related.
5. Total Request \$1.3 million to the Department for Children and Families for Supplemental COVID-19 Payment to Reach Up Families. The Commissioner stated this request was also predominately food-related.
6. Total Request \$300,000 to the Department of Public Service for additional support for the Vermont COVID-19 Arrearage Assistance Program (VCAAP) to deliver awards for all qualifying applications received prior to the end of the program (Water and Wastewater Systems).

Sarah Truckle, Deputy Commissioner, Department for Children and Families, responded that Reach Up participants would receive a check through the VISION interface system. Using the EBT cards to disburse the funds was not feasible due to the federal restrictions. Payments for the Foster Care benefit would be direct deposited into the foster parent's account. Senator Kitchel raised the issue of 3 Squares recipients experiencing difficulties cashing checks.

Lenny LeBlanc, Chief Financial Officer, Agency of Transportation (AOT), explained the Agency's CRF request included border monitoring but the Agency had yet to ramp up that effort.

Since the original CRF request, additional COVID-19-related expenses have emerged, including supporting various agencies. Senator Sears expressed concern from constituent complaints that Vermonters were following the guidelines for COVID-19 but out-of-state people were ignoring the rules. He requested that the Administration give the Committee an update on its plans to address this issue. Mr. LeBlanc explained that many of the costs related to the CRF request had already been incurred and some were estimated expenses through the end of the year. If the request was denied by the Committee, the Agency would need to request Transportation Funds through the FY 2021 Budget Adjustment process to offset the costs. Senator Ashe commented that it was not a good practice to assume funds would be approved to offset costs prior to incurring them.

Commissioner Greshin confirmed that request #4 omitted the review by Guidehouse but he assured the Committee it was reviewed and was considered a low risk. In responding to questions on request #4, John Quinn, Secretary, Agency of Digital Services, assured the Committee that the Agency was diligent in negotiating the best possible price for its contracts.

Sean Brown, Commissioner, Department for Children and Families, explained that the allocation for request #5 was a doubling of the earlier CRF request in 2020. Representative Lippert expressed concern for the basis of how the Department came up with the amount of the request. Commissioner Brown added that the amount of the request was also based on what the Department had for information of available CRF. Senator Ashe expressed concern that the amount of the request was enough to make a difference to this population.

Commissioner Greshin responded to questions regarding request #4 that the original proposal was submitted by the Department as a need in early December. However, the Administration ultimately decided it would fund requests for programs already in place since the Department was engaged in SNAP payments to participants. Now that the Department had the capacity, it was able to organize payments to foster families prior to the end of the year.

Senator Kitchel reiterated her motion earlier to approve the proposal for reallocation of CRF for requests #1 through #6, totaling \$3,181,161, and Representative Fagan seconded the motion. Senator Ashe asked that request #2 from AOT be voted on separately from the other requests. Senator Kitchel amended her motion to approve requests #1, #3, #4, #5, and #6 only, and Representative Fagan agreed to second the amended motion. The Committee approved the motion and the requests on a 10–0 roll call.

Senator Westman moved to approve request #2, and Senator Sears seconded the motion. The Committee approved the motion and the request on a 9–1 roll call with Senator Ashe voting no.

C. CRF Reallocation Request for Expanded Economic Development Grants, Totaling \$20 Million, to the Agency of Commerce and Community Development.

The Committee asked Jennifer Carbee, Deputy Chief Counsel, Legislative Counsel, to explain the provisions for an extension of time in Sec. B.1100 of Act 154 of 2020 for expending CRF. Senator Kitchel asked whether the 10 day rule for action on a request made by the Administration would still apply if the Committee deems the proposal not an emergency and can wait until the full Legislature meets to review the request. Ms. Carbee advised that the Committee must still approve or disapprove the request within the 10-days.

Commissioner Greshin commented that with the possibility of a federal extension for expending CRF, there may be additional considerations by the Administration for reallocations. Representative Ancel commented that with the Legislature about to convene, and the lack of clarity of whether the Committee had the authority to act upon the request, she was uncomfortable deciding on the request at the current meeting. Representative Lippert suggested the Administration submit a final report to the Committee on the status of CRF that could also be presented to the Legislature in January. Representative Toll asked if the Legislature was bound to the Act 154 protocol for all unexpended CRF be allocated to UI. In addition, she suggested with the federal extension that the Legislature convening in January should set their own criteria for the expenditure of CRF. Ms. Carbee responded that if there is a time extension, the UI provision is negated.

The Committee had a general discussion on the request, its timing, and other possible CRF needs. Senator Ashe suggested that the Committee continue the framework it had followed for reviewing CRF requests and continue to either approve or disapprove them. Commissioner Goldstein and Douglas Farnham, Chief Operational Officer, Agency of Administration, provided additional context for the late request submission.

The Committee expressed concern for the reversal of the Administration's ability to expend additional CRF to businesses. Representative Ancel requested that the Administration provide information on where the CRF reallocations were occurring to fulfill the requested \$20 million and the possible impacts to those areas.

The Committee took no action on the request and, instead, agreed to meet on December 30, 2020 at 9:30 a.m. to discuss the request, receive additional legal opinion on whether the Committee had the authority to approve the request if it were deemed not time sensitive, receive an update on federal legislation, and receive clarity on the Administration's action if the Committee does not act on the request.

Respectfully Submitted,

Theresa Utton-Jerman, Senior Staff Associate
Legislative Joint Fiscal Office

Link to recording: <https://www.youtube.com/watch?v=XyRL2Uxtntc>