



STATE OF VERMONT
GENERAL ASSEMBLY
LEGISLATIVE JOINT FISCAL COMMITTEE

Agenda

Friday, July 30, 2021

Room 11, State House

[Meeting available by LIVE Stream](#)

- 1:00 p.m. Call to Order and Adopt Minutes of June 22, 2021 [**Approved**]
- 1:05 p.m. A. July 2021 Economic Review and Revenue [Forecast Update](#) [[32 V.S.A. § 305a](#)]
Tom Kavet, Legislature's Economist
- 1:35 p.m. B. Administrations Fiscal Updates
Adam Greshin, Commissioner, Department of Finance and Management
1. FY 2021 [preliminary close-out](#)
 - a. Education Fund
 - b. General Fund
 - c. Transportation Fund
 2. Fund Transfers, Reversions, Reserves [[Report](#)] (unencumbered balances)
[[D.101 of Act 74 of 2021](#)]
 3. Coronavirus Relief Funds (CRF)
 - a. CRF Economic Stimulus Equity Program Reserves/Reversions
[[Sec. B.1123 of Act 154 of 2020](#)] [[Report](#)]
 - b. CRF Eligible Costs and Anticipated General Fund Reversions
[[Sec. 2 of Act 9 of 2021](#)] [[Report](#)]
- 2:05 p.m. C. Global Commitment/Medicaid
1. Global Commitment and Medicaid Close-out [[Memo](#)] [[Presentation](#)]
Sarah Clark, Chief Financial Officer, Agency of Human Services
 2. Global Commitment Program General Fund Reversion Status Report
[[Sec. C.102 of Act 74 of 2021](#)] – *Sarah Clark*
 3. Year-end Medicaid [[Report](#)] [[32 V.S.A. Sec. 305a.](#)]
Stephanie Barrett, Associate Fiscal Officer, Joint Fiscal Office
- 2:30 p.m. D. Other AHS Updates
1. [Status](#) of the Brattleboro Retreat

Alison Krompf, Deputy Commissioner, Department of Mental Health

2. Mental Health/[Workforce Issues](#)

Cheryle Wilcox, Interagency Planning Director, Department of Mental Health

3. Status of General Assistance Housing

Sean Brown, Commissioner, Department for Children & Families

2:45 p.m. E. [Update](#) on Homeowner Assistance Fund (HAF) [Grant JFO #3052](#) approved by the JFC on June 22, 2021.

Josh Hanford, Commissioner, Department of Housing & Community Dev.

Maura Collins, Executive Director, Vermont Housing Finance Agency [Video]

2:55 p.m. F. Grants

1. [Grant JFO #3057](#) – Eight (8) limited-service positions within the Office of the Defender General. These positions have been requested to manage anticipated workload increases stemming from the Judiciary’s Pandemic Recovery and Response Plan and will be funded using ARPA dollars appropriated in the 2021 big bill. **[Approved]**

Lora Evans, Administrative Services Manager, Office of the Defender General

2. [Grant JFO #3058](#) – One (1) limited-service position, Administrative Services Coordinator II, within the VT Military Department, Communications Division. The VT National Guard C4 Division will begin work with the National Guard Bureau Administrative Services to assist in records management at the national level. Local C4 staff will assist in VTARNG records management training, including training to other states. This position will assist with the increased day-to-day workload. This position is fully funded from previous JFO Grant #2948 and is valid through 9/30/2024. **[Approved]**

3:10 p.m. G. Recommendations of the Subcommittee on Fiscal Officer Transition and Executive Session and **[Hired Catherine Benham as new CFO]**

3:20 p.m. H. Fiscal Officer’s [Report](#) – *Stephen A. Klein, Chief Fiscal Officer, Joint Fiscal Office*

1. Distribution to Towns and Counties Update

3:40 p.m. Comments from Chair and Vice-Chair

4:00 p.m. Adjourn and Next Meetings (September 17 and November 17)

The Emergency Board will meet at 11:00 a.m., Governor’s Ceremonial Office, State House, for the consensus forecast presentation [\[32 V.S.A. § 305a\]](#)

Updated: 7/30/2021 at 4:45 p.m.

Statutory References to Agenda Items

Fund Transfers, Reversions, Reserves (unencumbered balance report)

Cite: Sec. D.101 of Act 74 of 2021

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(2) The following estimated amounts, which may be all or a portion of unencumbered fund balances, shall be transferred from the following funds to the General Fund. *The Commissioner of Finance and Management shall report to the Joint Fiscal Committee at its July meeting the final amounts transferred from each fund and certify that such transfers will not impair the agency, office, or department reliant upon each fund from meeting its statutory requirements.*

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CRF Economic Stimulus Equity Program Reserves/Reversions

Cite: Sec. B.1123 of Act 154 of 2020

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(b) In fiscal year 2021 \$3,000,000 is unreserved from the Human Services Caseload Reserve established in 32 V.S.A. § 308b. To the extent that funds appropriated in this section have not been awarded on or before June 30, 2021, the remaining appropriation shall be reverted and reserved in the Human Services Caseload Reserve established in 32 V.S.A. § 308b. *The Commissioner of Finance and Management shall report to the Joint Fiscal Committee in July 2021 on any funds reverted and reserved under this subsection.*

CRF Eligible Costs and Anticipated General Fund Reversions

Cite: Sec. 2 of Act 9 of 2021

* * *

(c) The Commissioner shall report to the House and Senate Committees on Appropriations on or before June 1, 2021 with estimates of each of the following: CRF carryforward need, CRF reversions, and total CRF appropriations to the Department of Corrections and other departments with eligible CRF costs; and the General Fund reversions anticipated on or before June 30, 2021 as authorized under this section. The report shall also include a brief description of the degree to which Federal Emergency Management Agency (FEMA) funding applications and awards are impacting these estimates. *The Commissioner shall provide an update on these amounts to the Joint Fiscal Committee at its meeting in July 2021.*

Global Commitment Program General Fund Reversion Report

Cite: Sec. C.102 of Act 74 of 2021

(a) In fiscal year 2021, the amount of \$42,516,329 shall be reverted to the General Fund from the general funds appropriated in Sec. B.301 of 2020 Acts and Resolves No. 154, as amended by 2021 Acts and Resolves No. 3.

(b) The Secretary of Human Services *shall report to the Joint Fiscal Committee in July or September 2021 on the status and impact of the reversion required by subsection (a) of this section and any carryforward balance of unobligated General Fund appropriations from fiscal year 2021 to fiscal year 2022. To the extent possible, this report shall also provide updates related to the reversion specified in Sec. D.104 of this act for fiscal year 2022.*

Official State Revenue Estimate (Year-end Medicaid)

Cite: [32 V.S.A. Sec. 305a.](#)

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(c)(1)(A) The January estimates shall include estimated caseloads and estimated per-member per-month expenditures for the current and next succeeding fiscal years for each Medicaid enrollment group as defined by the Agency and the Joint Fiscal Office for State Health Care Assistance Programs or premium assistance programs supported by the State Health Care Resources and Global Commitment Funds, and for the programs under any Medicaid Section 1115 waiver.

* * *

(2) In July, the Administration and the Joint Fiscal Office shall make a report to the Emergency Board on the most recently ended fiscal year for all Medicaid and Medicaid-related programs, including caseload and expenditure information for each Medicaid eligibility group. Based on this report, the Emergency Board may adopt revised estimates for the current fiscal year and estimates for the next succeeding fiscal year. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

BRATTLEBORO RETREAT

Cite: [Sec. 27 of Act 139 of 2020](#)

(a) For the amount appropriated in Sec. 2 of this act, amending 2019 Acts and Resolves No. 42, Sec. 3(c)(4), the Brattleboro Retreat must comply with the following provisions:

* * *

(b) The Brattleboro Retreat, the Agency of Human Services, and the Department of Buildings and General Services shall provide a report at the July and September Joint Fiscal Committee meetings that includes the following information:

* * *

Reports

Particular proceedings and activities; personnel

Cite: [30 V.S.A. § 20](#)

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

[\[PSD and PSB Report Link\]](#)

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

* * *

(2) The agency of natural resources may authorize or retain legal counsel, official stenographers, expert witnesses, advisors, temporary employees, and other research, scientific or engineering services to:

* * *

(C) assist the Board or the Department of Public Service in any proceedings described in subdivisions (b)(9) (Federal Energy Regulatory Commission) and (11) (Nuclear Regulatory Commission) of this section. Allocation of agency of natural resources costs under this subdivision

(C) shall be in the same manner as provided under subdivisions (b)(9) and (11) of this section. *The agency of natural resources shall report annually to the joint fiscal committee all costs incurred and expenditures charged under the authority of this subsection with respect to proceedings under subdivision (b)(9) of this section and the purpose for which such costs were incurred and expenditures made.*

* * *

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

* * *

(9) Proceedings at the Federal Energy Regulatory Commission which involve Vermont utilities or which may affect the interests of the State of Vermont. Costs under this subdivision shall be charged to the involved electric or natural gas companies pursuant to subsection 21(a) of this title. In cases where the proceeding is generic in nature the costs shall be allocated to electric or natural gas companies in proportion to the benefits sought for the customers of such companies from such advocacy. *The Public Service Board and the Department of Public Service shall report quarterly to the Joint Fiscal Committee all costs incurred and expenditures charged under the authority of this subsection, and the purpose for which such costs were incurred, and expenditures made.*

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Acceptance of grants and procedures (Small Grants)

Cite: [32 V.S.A. § 314](#)

[\[Report Link\]](#)

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(4) Exceptions.

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(B)(i) Notification required. The receiving agency shall promptly notify the Secretary of Administration and Joint Fiscal Office of the source, value, and purpose of any items received under this subdivision; provided, however, that no notification is required for an item received under this subdivision with a value of less than \$1,500.00.

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

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§ 511. Excess receipts

Citation: [32 V.S.A. § 511. Excess Receipts](#)

[\[Report Link\]](#)

If any receipts including federal receipts exceed the appropriated amounts, the receipts may be allocated and expended on the approval of the Commissioner of Finance and Management. If, however, the expenditure of those receipts will establish or increase the scope of the program, which establishment or increase will at any time commit the State to the expenditure of State funds, they may only be expended upon the approval of the General Assembly. Excess federal receipts, whenever possible, shall be utilized to reduce the expenditure of State funds. *The Commissioner of Finance and Management shall report to the Joint Fiscal Committee quarterly with a cumulative list and explanation of the allocation and expenditure of such excess receipts.* The provisions of 2

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

AGENCY SPENDING; AUTHORITY TO REDIRECT; REPORT

Cite: [Sec. 3 of Act 121 of 2020](#) as amended by [Sec. G.102 of Act 154 of 2020](#) [[Report Link](#)]

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(f) The Secretary of Administration shall, on or before July 31, 2021, file a written report listing all expenditures made during fiscal year 2021 under the authority of subsections (a) and (b) of this section to the House and Senate Committees on Transportation, Joint Fiscal Office, Joint Fiscal Committee, and Joint Transportation Oversight Committee.

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TRANSPORTATION FUND APPROPRIATION REDUCTIONS

Cite: [Sec. E.900 of Act 154 of 2020](#) [[Report Link](#)]

(a) The Secretary of Transportation, with the approval of the Secretary of Administration, is authorized to reduce fiscal year 2021 Transportation Fund appropriations by the amount of Coronavirus Relief Funds or Federal Emergency Management Administration Funds received towards Transportation Fund expenditures in each appropriation.

(b) In July 2021, the Secretary of Administration shall report all appropriations reductions made under the authority of this section to the Joint Fiscal Office, the Joint Fiscal Committee, and the Joint Transportation Oversight Committee.

Complex Litigation Special Fund Annual Report

[3 V.S.A. § 167a.](#) COMPLEX LITIGATION SPECIAL FUND [[Report Link](#)]

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

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

FULL COST ACCOUNTING OF CORONAVIRUS PERSONAL SERVICE EXPENSES

Sec. 37 of H.953 (Act 109) of 2020 [[Report Link](#)]

(a) The State Treasurer shall make a determination of the impact on State Retirement System actuarial obligations of any personnel expenses, hazard pay, overtime, or other personal services

costs that are incurred through December 30, 2020 due to the Coronavirus Pandemic. Upon approval of the Secretary of Administration, said amount shall be appropriated and transferred from the Coronavirus Relief Fund to the State Retirement System in fiscal years 2020 or 2021. The State Treasurer shall report the amount transferred under this authority to the Joint Fiscal Committee and the Commissioner of Finance and Management.