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STATE OF VERMONT
GENERAL ASSEMBLY
LEGISLATIVE JOINT FISCAL COMMITTEE

Agenda

Friday, September 17, 2021

Room 24, State House

[Meeting available by LIVE Stream](#)

- 9:30 a.m. Call to order and approve minutes of July 30, 2021 **[Approved]**
- 9:35 a.m. 1. Administrations Fiscal Reports/Updates
Adam Greshin, Commissioner, Department of Finance & Management
- a. General Fund and Transportation Fund [Balance Reserves Report](#) [32 V.S.A. § 308c(d)]
 - b. 27/53 [Reserve Report](#) [32 V.S.A. § 308e(a)(2)]
 - c. FY 2023 Budget [Instructions](#) and Submission [Guidelines](#), and Fiscal Challenges
 - d. Coronavirus Relief Funds [Update \(CRF\)](#)
- 9:55 a.m. 2. Request to Approve the Change of the Title of a Previously Approved Limited-Service Position from [June 22, 2021](#). [\[Request\]](#) **[Approved]**
Commissioner Greshin
Joan Goldstein, Commissioner, Department of Economic Development (video)
- 10:00 a.m. 3. Proposed Use of Child Care Development Block Grant & ARPA Stabilization Grants **[Approved Motions]** [\[Proposal\]](#) [\[Sec. E.318.3 of Act 74 of 2021\]](#)
Sean Brown, Commissioner, and
Sarah Truckle, Financial Director, and
Miranda Gray, Interim Deputy Commissioner, Child Development Division,
Department for Children and Families
- 10:20 a.m. 4. Update on General Assistance Emergency Housing and Transition Vouchers
Commissioner Brown
Sarah Truckle
- 10:35 a.m. 5. Update on Emergency Rental Assistance Program/VERAP Program
Josh Hanford (video)
Commissioner Brown
Sarah Truckle

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- 10:45 a.m. 6. Update on Homeowner Assistance Program Fund [Grant JFO #3052](#) approved by the JFC on June 22, 2021. [[Update Memo](#)]
Josh Hanford, Commissioner, Dept. of Housing & Community Development (video)
Kathleen Berk, Executive Director, Vermont Housing Finance Agency (video)
- 10:55 a.m. 7. Capital Incentive Grant Program [[Proposal](#)] [**Approved**]
[[Sec. H.18 of Act 74 of 2021](#)]
Joan Goldstein, Commissioner, Department of Economic Development (video)
Kenneth Jones, Economic Research Analyst, Agency of Commerce & Community Development (video)
Tom Kavet, Legislature's Economist (video)
- 11:15 a.m. 8. Vermont Employment Growth Incentive Program
- a. Cost-Benefit Model Modification [[Proposal](#)] [**Approved**] [[32 V.S.A. § 3326](#)]
Megan Sullivan, Executive Director, Vermont Economic Progress Council
Kenneth Jones (video)
Tom Kavet (video)
- b. Discussion
- 11:35 a.m. 9. Other/Grants
- 11:45 a.m. 10. Fiscal Officer's [Report](#)
Catherine Benham, Chief Fiscal Officer, Joint Fiscal Office
- a. Report highlights
- b. [Request](#) for limited-service position [**Approved**]
- 12:00 p.m. Adjourn (Next Meetings: November 17)

Notable Dates: December 8 - All Legislative Briefing at 10:00 a.m.

Final September 17, 2021

Agenda Items – Statutory/Session Law Citations

1.a. GENERAL FUND AND TRANSPORTATION FUND BALANCE RESERVES

[\[32 V.S.A. § 308c\]](#)

(a) There is hereby created within the General Fund a General Fund Balance Reserve, also known as the "Rainy Day Reserve." After satisfying the requirements of section 308 of this title, and after other reserve requirements have been met, any remaining unreserved and undesignated end of fiscal year General Fund surplus shall be reserved in the General Fund Balance Reserve. The General Fund Balance Reserve shall not exceed five percent of the appropriations from the General Fund for the prior fiscal year without legislative authorization.

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(d) Determination of the amounts of the General Fund and Transportation Fund Balance Reserves shall be made by the Commissioner of Finance and Management and reported, along with the amounts appropriated pursuant to subsection (a) of this section, to the legislative Joint Fiscal Committee at its first meeting following September 1 of each year.

1.b. 27/53 RESERVE

[\[32 V.S. A. § 308e\]](#)

(a)(1) There is hereby created within the General Fund a 27/53 Reserve. The purpose of this reserve is to meet the liabilities of the reoccurring 27th State payroll and the 53rd week of Medicaid payments. These liabilities will be funded by reserving a prorated amount of General Fund each year, before the liability comes due.

(2) Beginning in September, 2016 and annually thereafter at the September Joint Fiscal Committee meeting, the Commissioner of Finance and Management will report on the anticipated liability for the next 27th payroll and 53rd week of Medicaid Payments, provide the current reserve balance and a schedule of annual amounts needed to meet the obligation of these payments.

(b) As part of the Governor's budget submission under section 306 of this title, the amount prorated for the upcoming fiscal year identified in subdivision (a)(2) of this section shall be included as an appropriation and transferred to the 27/53 Reserve.

(c) In a fiscal year where a 27th State payroll or 53rd week of Medicaid payment is due, the General Assembly shall appropriate the funds from the 27/53 Reserve to meet the expenditures within the year that these payments are due.

3. AMERICAN RESCUE PLAN ACT OF 2021; CHILD CARE STABILIZATION GRANTS: APPROPRIATIONS

[\[Sec. E.318.3 of Act 74 of 2021\]](#)

(a) Of the \$2,600,000 appropriated in Sec. B.318 of this act to the Department for Children and Families Division of Child Development from the federal funds available under the Child Care Development Block Grant funding received by the State pursuant to the American Rescue Plan Act of 2021, Pub. L. No. 117-2, funds shall be allocated as follows:

(1) \$700,000 shall be allocated for current and prospective early childhood provider scholarships programs;

(2) \$1,800,000 shall be allocated for early childhood student loan repayment; and

(3) \$100,000 shall be transferred to Vermont Department of Labor for the pre-apprenticeship program in Early Childhood Education provided by Vermont Career and Technical Education centers.

(b) Notwithstanding 32 V.S.A. § 5, funds from the American Rescue Plan Act of 2021 Child Care Stabilization Grants Fund shall be deposited into the State Treasury and are hereby accepted and shall be spent subject to appropriation. Excess receipts authority may be granted only in the event that the appropriation in subsection (a) of this section is not sufficient to support childcare providers prior to the fiscal year 2022 budget adjustment process and the funds are used consistent with an approved plan required to be presented to the Joint Fiscal Committee on or before September 1, 2021 in legislation enacted during the 2021 legislative session.

(c) The Department for Children and Families shall consider statewide childcare system capacity needs in its use of the Child Care Development Block Grant funds to expand statewide capacity. The Department shall report in January 2022 to the General Assembly on capacity grants issued to expand existing programs or establish new programs, or both.

7. CAPITAL INVESTMENT GRANT PROGRAM [[Sec. H.18 of Act 74 of 2021](#)]

(a) Creation; purpose; regional outreach.

(1) The Agency of Commerce and Community Development shall use the \$10,580,000 appropriated to the Department of Economic Development in Sec. G.300(a)(12) of this act to design and implement a capital investment grant program consistent with this section.

(2) The purpose of the program is to make funding available for transformational projects that will provide each region of the State with the opportunity to attract businesses, retain existing businesses, create jobs, and invest in their communities by encouraging capital investments and economic growth.

(3) The Agency shall collaborate with other State agencies, regional development corporations, regional planning commissions, and other community partners to identify potential regional applicants and projects to ensure the distribution of grants throughout the regions of the State.

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(d) Data model; approval.

(1) The Agency shall collaborate with the Legislative Economist to design a data model and related methodology to assess the fiscal, economic, and societal impacts of proposals and prioritize them based on the results.

(2) The Agency shall present the model and related methodology to the Joint Fiscal Committee for its approval not later than September 1, 2021.

(e) Application process; decisions; awards.

(1)(A) The Agency shall accept applications on a rolling basis for three-month periods and shall review and consider for approval the group of applications it has received as of the conclusion of each three-month period.

(B) The Agency shall make application information available to the Legislative Economist and the Executive Economist in a timely manner.

(2) Using the data model and methodology approved by the Joint Fiscal Committee, the Agency shall analyze the information provided in an application to estimate the net State fiscal impact of a project, including the following factors:

- (A) increase to grand list value;
- (B) improvements to supply chain;
- (C) jobs impact, including the number and quality of jobs; and
- (D) increase to State GDP.

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8. COST-BENEFIT MODEL [[32 V.S.A. Sec. 3326](#)]

- (a) The Council shall adopt and maintain a cost-benefit model for assessing and measuring the projected net fiscal cost and benefit to the State of proposed economic development activities.
- (b) The Council shall not modify the cost-benefit model without the prior approval of the Joint Fiscal Committee.

Reports and Citations

BRATTLEBORO RETREAT [[Act 139 of Sec. 27 of 2020](#)]

[[Report Link](#)]

(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:

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(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:

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CLEAN WATER INVESTMENT REPORT [[10 V.S.A. § 1389a](#)]

[[Report Link](#)]

(a) Beginning on January 15, 2017, and annually thereafter, the Secretary of Administration shall publish a Clean Water Investment Report. The Report shall summarize all investments, including their cost-effectiveness, made by the Clean Water Fund Board and other State agencies for clean water restoration over the prior calendar year. The Report shall include expenditures from the Clean Water Fund, the General Fund, the Transportation Fund, and any other State expenditures for clean water restoration, regardless of funding source.

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(b) The Report shall include:

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(5) A summary of available federal funding related to or for water quality improvement efforts in the State.

(6) Beginning January 2023, a summary of the administration of the grant programs established under sections 925–928 of this title, including whether these grant programs are adequately funding implementation of the Clean Water Initiative and whether the funding limits for the Water Quality Enhancement Grants under subdivision 1389(e)(1)(D) of this title should be amended to improve State implementation of the Clean Water Initiative.

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(d)(1) The Secretary of Administration shall develop and use a results-based accountability process in publishing the annual report required by subsection (a) of this section.

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(3) On or before September 1 of each year, the Secretary of Administration shall submit to the Joint Fiscal Committee an interim report regarding the information required under subdivision (b)(5) of this section relating to available federal funding.

ANNUAL REPORT – GREEN MOUNTAIN CARE BOARD

[\[Report Link\]](#)

[\[18 V.S.A. Chapter 220 § 9374: Green Mountain Care Board\]](#)

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(h)(1) The Board may assess and collect from each regulated entity the actual costs incurred by the Board, including staff time and contracts for professional services, in carrying out its regulatory duties for health insurance rate review under 8 V.S.A. § 4062; hospital budget review under chapter 221, subchapter 7 of this title; and accountable care organization certification and budget review under section 9382 of this title.

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(5)(A) Annually on or before September 15, the Board and the Department of Financial Regulation shall report to the House and Senate Committees on Appropriations the total amount of all expenses eligible for allocation pursuant to this subsection (h) during the preceding State fiscal year and the total amount actually billed back to the regulated entities during the same period. 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.

(B) The Board and the Department shall also present the information required by this subsection (h) to the Joint Fiscal Committee annually at its September meeting.

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VEGI ANNUAL REPORTING

[\[Report Link\]](#)

[32 V.S.A. § 3340](#)

(a) On or before September 1 of each year, the Vermont Economic Progress Council and the Department of Taxes shall submit a joint report on the incentives authorized in this subchapter to the House Committees on Ways and Means, on Commerce and Economic Development, and on Appropriations, to the Senate Committees on Finance, on Economic Development, Housing and General Affairs, and on Appropriations, and to the Joint Fiscal Committee.

(b) The Council and the Department shall include in the joint report:

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HEALTH IT-FUND

[\[Report Link\]](#)

[\[32 V.S.A. § 10301\]](#)

(a) The Vermont Health IT-Fund is established in the State Treasury as a special fund to be a source of funding for Medical Health Care Information Technology Programs and initiatives such as those outlined in the Vermont Health Information Technology Plan administered by the Secretary of Administration or designee. One hundred percent of the Fund shall be disbursed for the advancement of health information technology adoption and utilization in Vermont as appropriated by the General Assembly, less any disbursements relating to the administration of the Fund. The Fund shall be used for loans and grants to health care providers pursuant to section 10302 of this chapter and for the development of programs and initiatives sponsored by VITL and State entities designed to promote and improve health care information technology, including:

* * *

(g) The Secretary of Administration or his or her designee shall submit an annual report on the receipts, expenditures, and balances in the Health IT-Fund to the Joint Fiscal Committee at its September meeting and to the Green Mountain Care Board. The report shall include information on the results of an annual independent study of the effectiveness of programs and initiatives funded through the Health IT-Fund, with reference to a baseline, benchmarks, and other measures for monitoring progress and including data on return on investments made.

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GENERAL ASSISTANCE PROGRAM REPORT

[\[Report Link\]](#)

[\[33 V.S.A. § 2115\]](#)

On or before of September 1 of each year, the Commissioner for Children and Families shall submit a written report to the Joint Fiscal Committee; the House Committees on Appropriations, on General, Housing and Military Affairs and on Human Services and the Senate Committees on Appropriations and on Health and Welfare. The report shall contain the following:

- (1) an evaluation of the General Assistance program during the previous fiscal year;
- (2) any recommendations for changes to the program; and
- (3) a plan for continued implementation of the program.
- (4) statewide statistics using deidentified data related to the use of emergency housing vouchers during the preceding State fiscal year, including demographic information, client data, shelter and motel usage rates, clients' primary stated cause of homelessness, average lengths of stay in emergency housing by demographic group and by type of housing; and
- (5) other information the Commissioner deems appropriate.

CALCULATING AND ALLOCATING SAVINGS

[\[Report Link\]](#)

[33 V.S.A. § 7602.](#)

(a)(1) The Department shall calculate savings and investments in Choices for Care and report the amount of savings to the Joint Fiscal Committee, the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare on or before September 15 of each year. The Department shall not reduce the base funding needed in a subsequent fiscal year prior to calculating savings for the current fiscal year.

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CORRECTIONS APPROPRIATIONS; TRANSFER; REPORT

[\[Report Link\]](#)

[\[Act 11 \(H.16\) of Sec. E.335 of 2021\]](#)

(a) In fiscal year 2022, the Secretary of Administration may, upon recommendation of the Secretary of Human Services, transfer unexpended funds between the respective appropriations for correctional services and for correctional services out-of-state beds. At least three days prior to any such transfer being made, the Secretary of Administration shall report the intended transfer to the Joint Fiscal Office and shall report any completed transfers to the Joint Fiscal Committee at its next scheduled meeting.

(b) In fiscal year 2022, any unexpended funds for correctional services out-of-state beds shall be carried forward to fiscal year 2023, and the amount reported to the Joint Legislative Justice Oversight Committee in September 2022, to support community-based service programs. Funds may only be expended on community-based service programs upon approval of the House Committees on Appropriations and on Corrections and Institutions and the Senate Committees on Appropriations and on Judiciary following a recommendation from the Joint Legislative Justice Oversight Committee.

BODY CAMERA DEPLOYMENT

[\[Report Link\]](#)

[\[Act 3 of Sec. 57 of 2021\]](#)

The Departments of Fish and Wildlife, of Liquor Control, of Motor Vehicles shall only deploy the use of body cameras after appropriate training of staff and the adoptions of policies on use and retention of records. The departments shall identify the on-going cost and funding source for training, data storage and redaction and report these findings to the House and Senate Committees on Appropriations on or before March 15, 2021. The Secretary of Administration shall provide a report to the Joint Fiscal and the Joint Justice Oversight Committees in September 2021 on the status of use of body cameras in these departments.