



**STATE OF VERMONT**  
GENERAL ASSEMBLY  
LEGISLATIVE JOINT FISCAL COMMITTEE

Agenda

*Updated 11/17/2021 at 3:00 p.m.*

Wednesday, November 17, 2021

[Meeting available by LIVE Stream](#)

- 9:30 a.m. Call to order and approve minutes of September 17, 2021 [**Approved**]
- 9:35 a.m. 1. Introduction of new Joint Fiscal Office employees
- 9:45 a.m. 2. Administration's Fiscal Updates
- a. Vermont's Coronavirus Economic Stimulus Equity Program  
*Xusana Davis, Executive Director of Racial Equity, Agency of Administration*
  - b. Updates on the use of existing federal funds  
*Adam Greshin, Commissioner, Department of Finance & Management*  
*Doug Farnham, Chief of Operations, Agency of Administration*
    - i. [Coronavirus Relief Funds](#) (unobligated – accounting, plan)
    - ii. Act 9 (H.315) of 2021
    - iii. [American Rescue Plan Act](#) – General Discussion
    - iv. VT Housing Investment Program – *Josh Hanford, Commissioner, Department of Housing & Community Development*
  - c. Barriers to disbursing federal funds  
*Commissioner Greshin*
- 10:15 a.m. 3. Federal Single Audit Review [Report Summary Schedule Corrective Action Plan](#)  
*Tim Ashe, Deputy State Auditor*
- 10:25 a.m. 4. Updates
- a. Department of Mental Health's plan to reduce wait times in Emergency Rooms  
*Alison Krompf, Deputy Commissioner, Department of Mental Health*
  - b. AHS plan for moving hospital patients to nursing and rehab facilities and how it will be funded.  
*Monica White, Commissioner, Department of Aging, Disabilities & Independent Living*
- 10:45 a.m.

11:05 a.m. 5. Grants

- a. [JFO #3071 – Two \(2\) limited-service positions for the VT Department of Health](#): Recovery Substance Abuse Program Manager and Contracts and Grants Administrator. The positions will administer a COVID-specific supplemental award to an existing Substance Abuse Block Grant. These supplemental funds will address the increased incidence of mental health and substance abuse disorders exacerbated by the COVID-19 pandemic. Positions funded through 3/14/2023. **[Approved]**

*Paul Daley, Deputy Commissioner, Department of Health*

- 11:10 a.m. b. [JFO #3070 – \\$350,000 to the VT Agency of Agriculture, Food and Markets](#) from the Northern Borders Regional Commission to execute competitive sub awards for two to eight grantees. Awards will address critical infrastructure needs to help grantees expand their workforces and to gain access to larger metro markets. **[Approved]**

*Abbey Willard, Agricultural Development Director, Agency of Agriculture, Food & Markets*

- 11:25 a.m. c. [JFO #3073 – One \(1\) limited-service position: Broadband Project Developer to the VT Public Service Department from the Northern Border Regional Commission](#). The position will prepare the Communications Unions Districts for accessing the bond market, ensuring additional review of all operating agreements and partnerships involving the CUDS and private providers, and using innovative financial and data tools. *[NOTE: Originally the grant was going to fund a contractor, but over time it has proven out that hiring a limited-service employee is a more cost-effective approach for this grant. Please see grant [JFO #3047](#) for the original scope.]* **[Approved]**

*Rob Fish, Rural Broadband Technical Assistance Specialist, VT Community Broadband Board*

- 11:40 a.m. d. [JFO #3072 – One \(1\) limited-service position to the VT Agency of Human Services: Administrative Services Director III](#). The position will provide vital logistics planning for the COVID-19 response including testing, vaccination, procurement and product distribution; and planning for future emergencies. Position funded through previously approved grant JFO #3045. **[Approved]**

- 11:55 a.m. e. [JFO #3074 – \\$57,947,977.00 to the Agency of Commerce and Community Development, Dept. of Economic Development from the American Rescue Plan Act](#). Funds for a Small Business Credit Initiative to increase and expand programs designed to increase access to capital for small businesses.

**[In Process – [See motion](#)]**

*Joan Goldstein, Commissioner, Department of Economic Development  
Cassie Polhemus, Chief Executive Officer, Vermont Economic Development Authority*

12:10 p.m. 6. Fiscal Officer's [Report](#)  
*Catherine Benham, Chief Fiscal Officer, Joint Fiscal Office*

12:15 p.m. Adjourn

*Notable Dates:*

December 8 – All Legislative Briefing at 10:00 a.m.

December 14 – 17 – House Committee on Appropriations – Review of the FY 2022 Budget Adjustment

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*Agenda Citations*

**2.a. VT CORONAVIRUS ECONOMIC STIMULUS EQUITY PROGRAM**

Cite: [Sec. B.1122 of H.969 \(Act 154\) of 2020](#)

(a) Definitions. As used in this section:

\* \* \*

(g) Reports.

(1) The Secretary of Administration shall report to the Joint Fiscal Committee at the November meeting of the Committee regarding how the Agency of Administration or its contractors will make payments under the Program, including how payments shall be dispersed to applicants who lack banking services or a mailing address to which a payment may be sent.

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**3. FEDERAL SINGLE AUDIT REVIEW**

Cite: [Act 172 of Sec. E.100.5 of 2015](#) further directed by [JFC Subcommittee on 9/15/2016](#)

(a) At its July 2016 meeting, the Joint Fiscal Committee shall review the fiscal year 2015 Federal Single Audit. In doing so, the Committee shall consider the following:

- (1) the audit findings of significant deficiencies, particularly those programs where material weaknesses are identified that result in an adverse opinion for the State;
- (2) the Administration's response to such findings;
- (3) any repeat findings which were made;
- (4) specific plans for remediation of any audit deficiencies; and
- (5) any implications for the fiscal year 2016 audit and implications for governmental operations generally.

*\*\*Note: The Joint Fiscal Committee, consistent with the direction of Sec. E.100.5 of Act 172 of 2016 will continue to annually receive a presentation on the Federal Single Audit at its July or September meeting.*

## 5. ACCEPTANCE OF GRANTS

Cite: 32 V.S.A. § 5

\* \* \*

(b) Executive Branch approval.

(1) Approval required. A State agency shall not accept the original of any grant, gift, loan, or any sum of money, or thing of value except as follows:

(A) the State agency is granted approval pursuant to this subsection; or

(B) Joint Fiscal Committee policies adopted pursuant to subsection (e) of this section do not require a State agency to obtain approval.

(2) Governor review. The Governor shall review each grant, gift, loan, or any sum of money, or thing of value and shall send a copy of the approval or rejection to the Joint Fiscal Committee through the Joint Fiscal Office together with the following information with respect to these items:

(A) the source and value;

(B) the legal and referenced title, in the case of a grant;

(C) the costs, direct and indirect, for the present and future years;

(D) the receiving department or program, or both;

(E) a brief statement of purpose; and

(F) any impact on existing programs if there is a rejection.

(3) Legislative review.

(A) The Governor's approval in subdivision (b)(2) of this section shall be final except as follows:

(i) When the General Assembly is not in session, within 30 days of receipt of the copy of an approval and related information required under subdivision (b)(2) of this section, a member of the Committee requests such grant, gift, loan, sum of money, or thing of value be placed on the Committee's agenda; or

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### *Reports*

#### **FY 2022 ANNUAL PAY ACT REPORT**

Cite: [3 V.S.A. Sec. 2281\(4\)](#)

[Report Delayed]

The Department of Finance and Management is created in the Agency of Administration and is charged with all powers and duties assigned to it by law, including the following:

\* \* \*

(4) To report on an annual basis to the Joint Fiscal Committee at its November meetings on the allocation of funds contained in the annual pay acts and the allocation of funds in the annual appropriations act which relate to those annual pay acts. The report shall include the formula for computing these funds, the basis for the formula, and the distribution of the different funding sources among state agencies. The report shall also be submitted to the members of the House and Senate Committees on Government Operations and Appropriations. 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.

\* \* \*

**EXCESS RECEIPTS** Cite: [32 V.S.A. Sec. 511](#)

[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.

### **SPECIAL FUNDS REPORT[S]**

Cite: [32 V.S.A. Sec. 588\(6\)](#)

[Report A Link](#)

[Report B Delayed]

All special funds shall be organized and managed in accordance with the provisions of this section.

(1) Purpose and identification. Each special fund shall be established for a specific purpose, identified by a unique name, and managed on the State Central Accounting System under the control of the Commissioner with the actual monies held under the authority and responsibility of the State Treasurer.

(2) Receipts. Each special fund shall consist of receipts specified upon its creation and of transfers from other funds as authorized by the General Assembly or by the Secretary of Administration or the Emergency Board pursuant to section 706 of this title.

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(6) Accounting and reporting.

**(A)** Each special fund shall be accounted for under the direction of the Commissioner, and the balance at the end of the prior fiscal year shall be reported to the Joint Fiscal Committee on or before December 1 of each year.

**(B)** In addition, the Commissioner shall annually report a list of any special funds created during the fiscal year. The list shall furnish for each fund: its name; authorization; and revenue source or sources. The report for the prior fiscal year shall be submitted to the General Assembly through the Joint Fiscal Committee **on or before December 1 of each year.**

## ALLOTMENT OF APPROPRIATIONS

Cite: [32 V.S.A. Sec. 705\(c\)](#)

[Report Delayed]

(a) With the approval of the Governor the Secretary of Administration, through the Commissioner of Finance and Management or such divisions of the Agency of Administration as the Commissioner may designate, shall have the following powers, duties, and functions:

(1) The authority to allot from time to time to each department, institution, and State agency the appropriation made by the General Assembly for the department, institution, or State agency. The allotment may be made on a monthly basis or as the work of the department, institution, and agency may progress.

\* \* \*

(c) The authority conferred by this section is granted solely for the ministerial purpose of managing the State's financial accounts. Nothing contained in this section shall authorize any decrease in any such appropriation. If allotments have been made, the Secretary shall report to the Joint Fiscal Committee on or before the 15th day of each quarter, identifying and describing the allotments made pursuant to the authority granted by this section during the preceding quarter. 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.

## GLOBAL COMMITMENT FUND

[Report Link](#)

Cite: [33 V.S.A. Sec. 1901e\(c\)](#) as amended by [Sec. 299 of Act 20 \(H.366\) of 2021](#)

(a) The Global Commitment Fund is created in the Treasury as a special fund. The Fund shall consist of the revenues received by the Treasurer as payment of the actuarially certified premium from the Agency of Human Services to the managed care organization within the Department of Vermont Health Access for the purpose of providing services under the Global Commitment to Health waiver approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

\* \* \*

(c) Annually on or before October 1, the agency shall provide a detailed report to the joint fiscal committee that describes the managed care organization's investments under Term and Condition 57 of the Global Commitment to Health Medicaid Section 1115 waiver, including the amount of the investment and the agency or departments authorized to make the investment.

## TAX COMPUTER SYSTEM MODERNIZATION FUND

Cite: [Sec. E.111.1 of Act 11 \(H.16\) of SS2018](#)

[Report Link](#)

(a) Creation of fund.

(1) There is established the tax computer system modernization special fund to consist of:

(2) Balances in the Fund shall be administered by the Department of Taxes and used for the exclusive purposes of funding: A) ancillary development of information technology systems necessary for

implementation and continued operation of the data warehouse project; B) payments due to the vendor under the data warehouse project contract; C) enhanced compliance costs related to the data warehouse project; D) planning for an integrated tax system solution, including present-day analysis of business case and business requirements, requests for proposals and due diligence; E) implementation of tax types and any additional data warehouse modules into the selected integrated tax system solution; F) a micro-simulation model for use by the Department of Taxes and the Joint Fiscal Office; and G) implementation of an ancillary scanning system to enhance the operation of tax types incorporated into the integrated tax system solution. All balances in the Fund at the end of any fiscal year shall be carried forward and remain part of the Fund. Interest earned by the Fund shall be deposited into the Fund. This Fund is established in the State Treasury pursuant to 32 V.S.A. chapter 7, subchapter 5.

\* \* \*

(c) Transfer.

(1) Twenty percent of the tax receipts received pursuant to subdivision (a)(1)(A) of this section after payment to the vendor under the data warehouse contract shall be transferred to the General Fund annually for the duration of that contract. Thereafter, 20 percent of the tax receipts received pursuant to subdivision (a)(1)(A) shall be transferred to the Fund which would receive the underlying tax receipts annually until the expiration of the Tax Computer System Modernization Fund.

(2) Twenty percent of the incremental tax receipts calculated pursuant to subdivision (a)(1)(C) shall be transferred to the Fund which would receive the underlying tax receipts annually until the expiration of the Tax Computer Modernization Fund.

(d) Fund to terminate.

(1) This Fund shall terminate on July 1, 2024, provided that all amounts due pursuant to contract with the vendor of an integrated tax solution referenced in subdivision (a)(1)(C) of this section have been paid and any unexpended unencumbered balance in the Fund shall be transferred to the General Fund.

(e) The Commissioner of Taxes shall report to the Joint Fiscal Committee on fund receipts at or prior to the November Joint Fiscal Committee meeting each year until the Fund is terminated.

#### **ACCEPTANCE OF GRANTS AND PROCEDURES (Small Grants)**

Cite: [32 V.S.A. § 314](#)

[Report Link](#)

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(4) Exceptions.

(A) General. The review and approval process set forth in subsection (b) of this section shall not apply to the following items:

(i) the acceptance of grants, gifts, loans, sums of money, or other things of value with a value of \$15,000.00 or less, if the acceptance of those items will not incur additional expense to the State or create an ongoing requirement for funds, services, or facilities; or

(ii) a legal settlement.

(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.

(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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