



STATE OF VERMONT
GENERAL ASSEMBLY
LEGISLATIVE JOINT FISCAL COMMITTEE

Agenda

Tuesday, November 7, 2023
Room 11 and Zoom
[Meeting available by LIVE Stream](#)

Updated on 11/7/2023 1:17 PM

- 9:00 a.m. Call to Order and approve minutes from September 27, 2023
[Approved]
- 9:05 a.m. A. Administration's Fiscal Updates
1. ARPA Report and Reallocations
 2. Update on Fiscal Issues Related to July 2023 Storms
Douglas Farnham, Chief Recovery Officer
 3. EVT Flood Recovery Funding ([Memo](#))
Kelly Launder, Assistant Director, Department of Public Service
 4. Business Emergency Gap Assistance Program
Lindsay Kurrle, Secretary, Agency of Commerce and Community Development
- 9:55 a.m. B. Housing Update
1. Status of Initiatives to make additional housing units available and to address the inadequate supply of permanent affordable housing [Cite: Sec 9 of Act 81 of 2023]; Progress on Transitioning from the Pandemic-era GA Emergency Housing Program and expanding emergency shelter [Cite: Sec. 6(b) of Act 81 of 2023] ([October Report](#)) ([Presentation](#))
Alex Farrell, Commissioner, Department of Housing & Community Development
Chris Winters, Commissioner, Department for Children and Families
Lindsay Kurrle, Secretary, Agency of Commerce and Community Development
Jenney Samuelson, Secretary, Agency of Human Services

2. Status of Initiatives to make additional housing units available, expand emergency shelter [Cite: Sec. 6(c) of Act 81 of 2023] (October Report) (Presentation)
Gus Seelig, Executive Director, Vermont Housing & Conservation Board
3. VT 211 Emergency Housing Experience (Voucher and Referral Data) (Services Data 7/2022-6/2023, 7/2023-10/2023)_
Elizabeth Gilman, Executive Director, United Ways of Vermont

11:15 a.m. C. Basic Needs Budget Methodology Updates [**Action Postponed**] (Memo) (Report)
Alison Clarkson, Senator
Patrick Titterton, Senior Fiscal Analyst, Joint Fiscal Office

11:30 a.m. D. Grants [Cite: 32 V.S.A. § 5]

JFO #3166: \$642,845.00 to the Vermont Department of Public Safety from the Federal Emergency Management Agency to Funds to assist disaster-impacted individuals and communities in recovering from the major disasters through the provision of community-based outreach and psycho-educational services. [*Packet received on September 28, 2023*] [**Approved**]
Shannon Thompson, Financial Director, Department of Mental Health
Lee Dorf, Director of Planning, Operations and Development, Department of Mental Health

Related Item – Not for Action **DMH AA-IPN: JFO received a pre-spending notification from the Department of Mental Health in anticipation of additional funds to continue the counseling program in grant #3166. Grant #3166 above begins the counseling program through FEMA funding and the expected additional grant will continue the program under regular service. An AA-1 application for the continued program is expected from the Department of Mental Health and will be presented to JFC members for review once it is received by the Joint Fiscal Office.*

JFO #3167: \$491,314.00 to the VT Agency of Natural Resources, Department of Environmental Conservation from the U.S. Environmental Protection Agency to complete the 2023 VT Waste Compositions Study and other initiatives to demonstrate progress toward the National Recycling Goal and Food Loss and Waste Reduction Goal. Vermont is working to advance a circular economy for materials and to support the state-led implementation of plans to advance post-consumer materials management. [*Received October 12, 2023*] [**Approved**]
Tracy Lafrance, Financial Director, Dept. of Environmental Conservation
Josh Kelly, Solid Waste Program Manager, Dept. of Environmental Conservation

JFO #3168: \$850,000.00 to the VT Agency of Human Services, Department of Health from the U.S. Centers for Disease Control and Prevention. Funds would continue to support the staff and activities of the department's current Diabetes Program to decrease the risk for type 2 diabetes and improve health for those with the diagnosis. This program was previously funded through a combined award for diabetes and cardiovascular disease control. *[Received October 12, 2023]* **[Approved]**
Moira Cook, Director of the Division of Health Promotion and Disease Prevention, Department of Health

JFO #3169: Donation of land to the VT Agency of Natural Resources, Department of Forest, Parks and Recreation from Roland and Carol Woodard of Glover, VT. The parcel is .5 acres in Sheffield valued at \$15,000.00. This parcel would be used as a parking lot to improve access to the Holbrook State Park. *[Received October 12, 2023]* **[Approved]**
Gannon Osborn, Land Conservation Program Manager, Dept. of Forest, Parks and Recreation

JFO #3170: \$645,655.00 to the VT Secretary of State from the Defense Human Resource Activity. The Electronic Absentee Systems for Elections grant will be used to receive proposals to support absentee voting by uniformed and overseas citizens. \$18,000.00 will be reserved for personal services involved in administration, ballots, and voter education and associated materials. *[Received October 12, 2023]* **[Approved]**
Will Senning, Director of Elections and Campaign Finance, Secretary of State's Office

11:55 a.m. E. Fiscal Officer's [Report](#)
Catherine Benham, Chief Fiscal Officer, Joint Fiscal Office

12:00 p.m. Adjourn

Statutory References to Agenda Items

Emergency Housing Transition; Agency of Human Services; Joint Fiscal Committee Oversight; Reports

[Cite: Sec. 6\(b\) of Act 81 of 2023 \(Agenda Item B.3\)](#)

(b) On or before the last day of each month from July 2023 through March 2024, the Agency of Human Services, or other relevant agency or department, shall report to the House Committee on Human Services, the Senate Committee on Health and Welfare, and the Joint Fiscal Committee

on its progress in assisting households housed in hotels and motels with transitioning from the pandemic-era General Assistance Emergency Housing Program to alternative housing placements and on the creation of new, alternative housing solutions. Each update shall include:

[Cite: Sec. 6\(c\) of Act 81 of 2023 \(Agenda Item B.2\)](#)

(c) On or before the last day of each month from July 2023 through March 2024, the Vermont Housing and Conservation Board shall report to the House Committees on Human Services and on General and Housing; the Senate Committees on Health and Welfare and on Economic Development, Housing and General Affairs; and the Joint Fiscal Committee on:

(1) the status of the Board's initiatives to make additional housing units available and how those initiatives support the Agency of Human Services' efforts to assist households with transitioning out of the pandemic-era General Assistance Emergency Housing Program; and

(2) the status of the Board's efforts to expand emergency shelter capacity, including the number of new beds available since the previous report, the number of additional beds planned, and when the additional planned beds are likely to become available.

Affordable Housing Development; Fiscal Year 2024 Funding

[Cite: Sec. 9 of Act 81 of 2023\] \(Agenda Item B.1\)](#)

(a) Of the \$40,000,000.00 appropriated to the Vermont Housing and Conservation Board (VHCB) in the fiscal year 2024 budget act to provide support and enhance capacity for the production and preservation of affordable mixed-income rental housing and homeownership units:

(1) \$10,000,000.00 shall be used to provide support and enhance the capacity, availability, and utilization of manufactured homes in cooperatively owned, nonprofit, and privately owned manufactured home parks with vacant and available lots. VHCB shall consult with the Department of Housing and Community Development to ensure that new investments prioritize individuals and families exiting from hotels and motels in accordance with this act.

(2) VHCB shall grant \$4,000,000.00 to the Vermont State Housing Authority for the Manufactured Home Improvement and Repair Program to prevent vulnerable mobile home park residents from becoming homeless.

(3) Notwithstanding 32 V.S.A. § 5(b), VHCB shall grant \$5,000,000.00 to the Department of Housing and Community Development to support the Vermont Housing Improvement Program.

(b) For fiscal year 2024, the VHCB shall increase its "Homeless Unit" set aside for housing projects seeking VHCB funding from 15 percent to 30 percent, with priority given to households exiting hotels and motels in accordance with this act.

Acceptance of Grants

[Cite: 32 V.S.A. § 5 \(Agenda Item E.\)](#)

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

(ii) When the General Assembly is 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 that such grant, gift, loan, sum of money, or thing of value be held for legislative approval. If a copy of an approval and related information is received when the General Assembly is in session, but before the members of the Joint Fiscal Committee are appointed, one of the statutorily appointed members of the Committee may request to hold a grant for legislative approval. Legislative approval under this subdivision may be granted by legislation or resolution.

(B) In the event of a request to hold a grant made pursuant to subdivision (3) of this subsection (b), the grant shall not be accepted until approved by the Joint Fiscal Committee or the General Assembly.

Vermont Employment Growth Incentive Model

[Cite: 32 V.S.A. § 3326 \(Agenda Item D.\)](#)

Cost-benefit model

(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

FY 2023 ANNUAL PAY ACT REPORT

[Report Link](#)

[Cite: 3 V.S.A. § 2281](#)

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

[Report Link](#)

[Cite: 32 V.S.A. § 511](#)

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; ORGANIZATION AND MANAGEMENT

[Report Link](#)

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

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.
- (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.

GLOBAL COMMITMENT FUND

[Report Link](#)

[Cite: 33 V.S.A. Sec. 1901e](#)

- (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

[Report Link](#)

[Cite: 32 V.S.A. § 3209](#)

a) The Tax Computer System Modernization Fund #21909, as established in the State Treasury per 2007 Acts and Resolves No. 65, Sec. 282 as amended, is a special fund to support information technology improvements and initiatives of the Department of Taxes. Balances in the Fund shall be administered by the Department of Taxes and used exclusively for the purposes prescribed in subsection (c) of this section. Balances in the Fund at the end of each fiscal year shall be carried forward and remain part of the Fund. Interest earned by the Fund shall be deposited into the Fund.

(b) The Fund shall receive annual transfers from the General Fund and the Education Fund in amounts not to exceed 0.21 percent of total revenue collected in the prior fiscal year by the Department of Taxes. The fund may receive other receipts as directed or authorized by the General Assembly.

(c) The Fund shall be used for the development, implementation, enhancement, and maintenance of information technology systems and services for the administration of taxes and programs administered by the Department. This shall include requests for proposal, business requirements, analysis, implementation of new tax types, enhancements to existing systems, and payments due to vendors of information technology systems and services.

(d) The Commissioner of Taxes shall submit an annual report on the receipts, expenditures, and balances in the Tax Computer System Modernization Fund to the Joint Fiscal Committee each year at or prior to the Committee's November meeting each year. (Added 2023, No. 78, § E.111.1, eff. July 1, 2023.)

PARTICULAR PROCEEDINGS AND ACTIVITIES; PERSONNEL

[Report Link](#)

[Cite: 30 V.S.A. Sec. 20](#)

- (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:
- (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;

2-1-1 FUNDING

[Report Link](#)

[Cite: Act 78 of 2023, Sec B.1100 \(o\) \(2\)](#)

(2) \$650,000 General Fund for the 2-1-1 service line. The Department, in consultation with the Agency of Human Services Central Office, shall report on the status of the service and its funding to the Joint Fiscal Committee on or before the Committee's November 2023 meeting;

BLUEPRINT FOR HEALTH FUNDING SOURCES

[Cite: Act 78 of 2023, Sec. E.300.2](#)

- (a) The Agency of Human Services, in collaboration with the Departments of Vermont Health Access and of Health, shall identify alternative fund sources, including sales tax revenue from tobacco, cannabis, and liquor, for ongoing funding of the Blueprint for Health Hub and Spoke program and shall update the Joint Fiscal Committee on its findings on or before November 15, 2023.

HOSPITAL DIRECTED PAYMENTS

Cite: Act 78 of 2023, Sec. E.301.3

(a) The Agency of Human Services is authorized to seek a State Directed Payment model with the Centers for Medicare and Medicaid Services (CMS). This payment model will be for a Hospital Directed Payment (HDP) program. Upon approval from CMS, the Agency of Human Services' Department of Vermont Health Access, the University of Vermont, and the University of Vermont Medical Center may enter into a mutual agreement on the implementation of the HDP program.

(b) If CMS approves a Vermont HDP program within the State's Global Commitment to Health Section 1115 Demonstration Waiver in fiscal year 2024 while the General Assembly is not in session, then, pursuant to 32 V.S.A. § 511 and notwithstanding any other provision of law to the contrary, the Department of Finance and Management is authorized to approve the Agency of Human Services' allocation and expenditure of excess receipts for Global Commitment Fund spending up to the amount approved by CMS for the Vermont HDP program.

(c) In State fiscal year 2024, the Agency of Human Services is authorized, to the extent permitted under federal law, to reasonably manage the timing of federal fiscal year 2024 Disproportionate Share Hospital (DSH) payments to hospitals due to the impact the Vermont HDP program payments received in State fiscal year 2024 may have on hospitals' eligibility for DSH payments.

(d) The Agency of Human Services shall report on the status of the Vermont HDP program, the expenditure of excess receipts, and the status of the program's potential impacts on DSH payments at the September and November 2023 meetings of the Joint Fiscal Committee.

READINESS PAYMENTS: CHILD CARE FINANCIAL ASSISTANCE PROGRAM

Cite: Act 76 of 2023, Sec. 8

(a)(1) In fiscal year 2024, \$20,000,000.00 is appropriated one time from the General Fund to the Department for Children and Families' Child Development Division for the purpose of providing payments to child care providers, as defined in 33 V.S.A. § 3511, delivering child care services to children, in preparation of the Child Care Financial Assistance Program eligibility expansion in Sec. 5a of this act and for the fiscal year 2024 provider rate adjustment in Sec. 6 of this act. Readiness payments may be used for the following:

- (A) increasing capacity for infants and toddlers;
- (B) expanding the number of family child care homes;
- (C) improving child care facilities;
- (D) preparing private prequalified providers for future changes in the prekindergarten system;
- (E) expanding hours of operation to provide full-day, full-week child care services;
- (F) addressing gaps in services and expanding capacity;

- (G) increasing workforce capacity, including signing and retention bonuses; and
- (H) any other uses approved by the Commissioner.

(2) Of the funds appropriated in subdivision (1) of this subsection, up to five percent may be used to contract with a third party to provide technical assistance to child care providers to build or maintain capacity and to provide information on the opportunities and requirements of this act.

(b) In administering the readiness payment program established by this section, the Division shall utilize the Agency of Administration bulletin pertaining to beneficiaries in effect on May 1, 2023. The Division may either use the same distribution framework used to distribute Child Care Development Block Grant funds in accordance with the American Rescue Plan Act of 2021 or it may utilize an alternative distribution framework.

(c) The Commissioner shall provide a status report on the distribution of readiness payments to the Joint Fiscal Committee at its November 2023 meeting.

ACCEPTANCE OF GRANTS (Small Grants)

[Report Link](#)

[Cite: 32 V.S.A. § 5](#)

(a) Definitions. As used in this section:

(b) Executive Branch approval.

(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

(ii) when the General Assembly is 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 that such grant, gift, loan, sum of money, or thing of value be held for legislative approval. If a copy of an approval and related information is received when the General Assembly is in session, but before the members of the Joint Fiscal Committee are appointed, one of the statutorily appointed members of the Committee may request to hold a grant for legislative approval. Legislative approval under this subdivision may be granted by legislation or resolution.