



STATE OF VERMONT
GENERAL ASSEMBLY

June 30, 2022

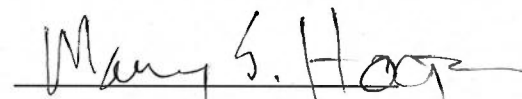
STATEMENT OF LEGISLATIVE INTENT

Act 185 (H.740) of 2022 Legislative Session

The attached statement of legislative intent to Act 185 (H.740) of the 2022 legislative session (the FY 2023 Appropriations Act) is designed to guide decision-makers in the Executive, Judicial, and Legislative branches. It was prepared by the staff of the Joint Fiscal Office and is based on deliberations by the Committees on Appropriations in both the House of Representatives and Senate, on testimony presented to those committees, on floor debate in both chambers, and on the conclusions reached by the Committees of Conference on Act 185 (H.740). This document does not include sections in which the legislative intent is consistent with the Governor's proposed budget or the language of the provision is sufficiently clear to obviate the need for further clarification.

Also included in this document are statements of intent related to fiscal sections in other legislation, such as appropriations or positions that directly impact the budget or a fund of the State or fiscal issues that indirectly impact the budget or funds of the State.


Sen. Jane Kitchel, Chair
Senate Committee on Appropriations


Rep. Mary S. Hooper, Chair
House Committee on Appropriations

Date 6/30/22

Date 6/30/22

Sec. B.105 and
Sec. E.105.2(c)

**ADS - Communications and Information Technology
FY 2023; Technology Modernization Special Fund; Authorizations**
Special fund spending authority is included in Sec. B. 105 for the IT projects authorized in subsection Sec. E. 105.2(a). However, no special fund appropriation is included in Sec. B.105 for the IT projects (DMV and VDOL) authorized in Sec. E.105.2(c). The funding for the subsection (c) DMV and VDOL projects is contingent on FY 2022 surplus funds being available and transferred to the new Technology Modernization Special Fund. If funds are available, the intent is that appropriation spending authority be provided to ADS in Sec. B.105 to match the project expenditure authority granted in Sec. E.105.2(c). An amendment to reflect this intent should be included in the FY 2023 budget adjustment. If necessary, an amendment to Act 184, Sec. 14 (H.736 transportation bill) to reflect this change in the DMV project funding source should be included in the FY 2023 budget adjustment.

Sec. B.225 and
Sec. B.225.2

**AAFM - Resource Management and Environmental Stewardship
AAFM - Clean Water**
The amount of \$250,000 was appropriated to increase the annual baseline funding provided to the Conservation District and was incorrectly included in Sec. B.225. These funds should have been added to Sec. B.225.2 where the existing base of Conservation District funding is located. An amendment to move this \$250,000 appropriation to the correct budget line item should be included in the FY 2023 budget adjustment.

Sec. B.502 and
Sec. B.505

**Education - Special Education: Formula Grants
Education - Adjusted Education Payment**
The Education Fund appropriation in these two sections was not adjusted from the level initially recommended by the Administration after the passage of local school budgets in March 2022. To the extent necessary, amendments to these appropriations should be included in the FY 2023 budget adjustment to reflect:
(1) The timing of implementation of special education funding changes as specified in Act No. 175 of 2022 (H.716 miscellaneous education bill), and
(2) The spending authority needed based on the school budgets in place and the homestead property tax yields established in Act No. 178 (H.737 yield bill).

Sec. C.102

FY 2022 Unallocated Reserve (Sec. 53 of Act No. 83 of 2022 amendment)
Subsection (b) specifies the allocations of remaining unreserved and undesignated General Fund at the close of fiscal year 2022 to the extent available. These allocations are intended to be transfers to another fund or

appropriations to a program. To the extent that more clarity is required on the transfer or appropriation, a retroactive amendment should be included in the FY 2023 budget adjustment. The intent of the allocations in subsection (b) are as follows:

FY 2022 Transfers:

- (1) \$850,000 to the Cannabis Regulation Fund
- (2) \$1,700,000 to the State Liability Self-Insurance Fund
- (3) \$1,900,000 to the Correctional Industries Internal Services Fund
- (5)(A) \$5,000,000 to the Property Management Fund
- (9) \$2,000,000 to the Workers' Compensation Fund
- (11) \$50,250,000 to the Technology Modernization Special Fund
- (12) \$25,000,000 to the Capital Expenditure Cash Fund

FY 2022 Appropriations:

- (4) \$10,000,000 to the AHS Central Office for AHS Global Commitment, if need is determined
- (5)(B) \$20,000,000 to the State Treasurer's Office for bond redemption
- (6) \$6,000,000 to the DCF for child care provider workforce
- (7) \$9,600,000 to the Judiciary for court house reopening (\$3.88M) and HVAC (\$5.72M)
- (8) \$10,000,000 to the VHCB for housing development
- (10) \$15,000,000 to DCF to be reserved for emergency or transitional housing needs if federal funds in fiscal year 2023 are insufficient.

Sec. C. 112

Amendment to FY 2022 Onetime Retirement System Appropriation Act No. 74 of 2021, Sec. B.1106(a)(1)(C)

This amendment allows the undistributed portion of the \$14,400,000 appropriation for agency and department Vermont State Employee Retirement Systems (VSERS) ADEC funding requirements to be directly deposited into the VSERS fund in FY 2022. It is our intent that the Department of Finance and Management effectuate this deposit in a manner consistent with other deposits into the VSERS fund from funds appropriated through departments and following accepted accounting procedures.

Sec. E.334

Specific Home- And Community-Based Service Provider Rate Study; Report

This study includes an examination of rates for adult day, adult day rehabilitation, personal care, and homemaker services. It is requested that this study include an examination of alternative payment methodologies, such as a bundled rate, for the adult day services portion of this study, in addition to an examination of the the existing rates.

OTHER FISCAL INTENT

Act 83

An Act Relating to FY 2022 Budget Adjustments (H.679)

Sec. 46. Amendment to 2021 Act No. 74 Sec. B.1106 FY 2022 One-Time General Fund Appropriations

To the extent that the appropriations in this section are not expended in FY 2022, it our intent that funds are carried forward to FY 2023. This includes item (21) "\$25,000,000 to the Agency of Human Services – Central Office to address emergent and exigent circumstances following the COVID-19 pandemic." Unexpended funds determined to be unneeded by AHS for SFY 2023 may be identified for reversion.

Sec. 48. Amendment to 2021 Acts and Resolves No. 74, Sec. D.101 (FY 2022 Fund Transfers, Reversions And Reserves)

A typographical error occurred in subsection (d). The reversion amount from 1225001000 Legislative IT should have remained at \$120,000 and the reversion from 1230001000 Sergeant at Arms of \$60,000 was omitted. No change was intended to these two reversions as passed in Act 74. If necessary a retroactive amendment should be included in the FY 2023 budget adjustment.

Act 114

An Act Relating to Amending Various Public Pension and Other Postemployment Benefits (S.286)

The Department of Human Resources has identified several issues requiring clarification related to the creation of the new Group G by June 30, 2023; in Sec. 11 regarding the intent for combined contribution rates for Group F and Group G, and in Sec. 14 regarding workers in other facilities such as state hospital or justice-involved youth facility, as well as the irrevocability of opting into the new Group G. Clarifying amendments to address these and any other issues that arise in the establishment of the new Group G should be included in the FY 2023 budget adjustment.

Sec. 28. FY 2022; Appropriation; State Employees' Postemployment Benefits Trust Fund; Retired Teachers' Health and Medical Benefits Fund

It is our intent that the Department of Finance and Management effectuate the deposit of the \$75,000,000 appropriated in subdivision (a)(1) in to the VSERS fund in a manner consistent with other deposits into the VSERS fund from funds appropriated through departments and following accepted accounting procedures.

It is our intent that the Department of Finance and Management effectuate the deposit of the \$75,000,000 appropriated in subdivision (a)(2) and the

\$50,000,000 appropriated in subsection (b) into the VSTRS fund in a manner consistent with other deposits into the VSTRS fund as appropriated in Sec. B. 514 of the annual appropriations bill.

It is our intent that the Department of Finance and Management effectuate the deposit of the \$13,300,000 million appropriated in subsection (c) into the Retired Teachers' Health and Medical Benefits Fund in a manner consistent with other deposits into this fund as appropriated in Sec. B. 515 of the annual appropriations bill.

After the enactment of this act and end of the legislative session, the respective state employees' and teachers' retirement boards adopted new FY 2023 ADEC recommendations based on subsequent actuarial analysis of the enacted bill. These new amounts differ slightly from the estimates used during the session and should be addressed in setting the payroll rate for the state employees' system; and in the budget adjustment for the teachers' system.

Act 138

An Act Relating to Tax Reductions and Other Aid for Vermonters (H.510)

Sec. 10. Appropriation for AABD

This \$750,000 of Global Commitment funding is to increase the AABD supplemental payment beginning in January 2023 for beneficiaries who are not living in nursing care facilities. The budget addresses the Personal Needs Allowance (PNA) level for individuals in nursing care facilities and allows for either January 2023 or 2024 implementation to increase the PNA for this population depending on implementation capacity in AHS. If necessary, any clarifying amendments should be included in the FY 2023 budget adjustment.

Act 158

An Act Relating to Regulating Licensed Small Cannabis Cultivation As Farming (S.188)

This act transfers the cannabis control and testing program from the Agency of Agriculture, Food and Markets to the Cannabis Control Board. The two existing positions (one Agricultural Resource Management Specialist I and one Agricultural Resource Management Specialist III) are also intended to be transferred with the program responsibilities.

Act 172

An Act Relating to Municipal Energy Resilience Initiatives (H.518)

The positions created in Sec. 10 should be classified limited-service positions. If necessary, an amendment should be included in the FY 2023 budget adjustment.

Act 182

An Act Relating to Expanding Access to Safe and Affordable Housing (S.226)

Sec. 3. Manufactured Home Improvement and Replacement Program
The appropriation referenced in this section states ‘from federal COVID-19 relief funds’ this reference should have been more clearly stated as ‘from the American Recue Plan Act (ARPA) recovery funds’ consistent with the fiscal note and the other appropriations from this source in this act. If necessary, a clarifying amendment should be included in the FY 2023 budget adjustment.

Sec. 28. Appropriation (Municipal Bylaw Modernization Grants)
An incorrect version of this section was included in the final bill. The intended language specified that this allocation was ‘up to’ \$650,000 and would be from the allocation to municipalities from the Municipal and Regional Planning Fund FY 2023 appropriation. ACCD plans to operate under the intended language and include an amendment to reflect the correct intent for this allocation in the FY 2023 budget adjustment

Act 183

An Act Relating to Economic and Workforce Development (S.11)

Sec. 16. CTE Construction And Rehabilitation Experiential Learning Program; Revolving Loan Fund

Any necessary amendments needed to implement the one-time funding shall be included in the FY 2023 budget adjustment, including the need to notwithstand existing law in relation to the Education Fund appropriation if not mitigated by subsequent amendments.

Sec. 47. VEDA Short-Term Forgivable Loans

Subdivision (c)(4) sets the eligibilty for a loan

(4) To be eligible for a loan, the Authority shall determine that a business has experienced at least a 22.5 percent reduction in its adjusted net operating income in calendar years 2020 and 2021 combined as compared to 2019, or other appropriate basis of comparison where necessary.

Subdivision (d)(3) sets one of the specifications that the maximum loan amount needs to be the lesser of. For consistency with the eligibility criteria set in subdivision (c)(4) the following amendment should be included in the FY 2023 budget adjustment:

(3) the amount of the cumulative decline in adjusted net operating income during the COVID-19 public health emergency in 2020 and 2021, or other appropriate basis of comparison used to determine eligibility under subdivision (c)(4) of this section.

Sec. 53. Appropriations

After the passage of this act, updated information was provided that \$25,042,000 is available for reversion in FY 2022 per subsection (a) from the funds appropriated in 2021 Acts and Resolves No. 74, Sec. G. 300(a)(13), from the ARPA-SFR to ACCD for the Economic Recovery Grant Program. If necessary, a retroactive amendment should be included in the FY 2023 budget adjustment to reduce this reversion by the \$458,000 difference from the amount of \$25,500,000 currently stated in this section.

Act 186

An Act Relating to the System of Care for Individuals with Developmental Disabilities (H.720)

Sec. 4. DDAIL; Residential Program Developer

This new position is intended to be a classified limited-service position. The funding for this position should be allocated from the the Global Commitment Federal Medical Assistance Percentage (FMAP) home- and community-based services plan funding that was fully appropriated in Acts 83 and 185. Clarifying amendments should be included in the FY 2023 budget adjustment.

Sec. 5. DDAIL; Development of Housing and Residential Services Pilot Planning Grants

The funding for these grants should be allocated from the the Global Commitment Federal Medical Assistance Percentage (FMAP) home- and community-based services plan funding that was fully appropriated in Acts 83 and 185. A clarifying amendment should be included in the FY 2023 budget adjustment.