



## **H.740 – FY 2023 BUDGET – COMMITTEE OF CONFERENCE**

### **HOUSE SUMMARY**

**The FY23 budget as voted by the Committee of Conference appropriates a total of \$8.3 billion to meet the ongoing costs of operating state government and to make transformative investments in Vermont’s infrastructure, including human capital, from federal funds available from the America Rescue Plan Act. The budget is balanced and includes priorities to allow Vermont to continue to emerge from the pandemic in the strongest position possible.**

#### **PROTECTS THE MOST VULNERABLE:**

- Community MH, DDS and Home Health Care providers rate increase of 8% (\$26.6m total all funds)
- Direct Care workers Collective Bargaining Agreement funded (\$4.5m all funds)
- Provides \$15m in contingent funding for DCF emergency or transitional housing needs in event of federal fund shortfall
- SUD treatment/recovery bed capacity increase (\$2m) and rate increase for preferred providers (\$1.2M gross)
- New Jenna’s House program funded (\$400k base, \$100K one-time) and Recovery Centers base increase (\$540k)
- Substance Misuse Prevention Coalitions (\$4m GF and Tobacco funds)
- Chittenden County Treatment and Recovery for persons transitioning from incarceration (\$150k), and Recovery Center embedded employment services pilot program (\$345k)
- HIV/AIDs Orgs (\$295k) for base services, UVMCM AIDS clinic (\$50k base, \$50K one-time)
- Prevention and needle exchange at organizations and Howard Center (\$500k in GF and Tobacco funds onetime)
- Vermont Legal Aid and Health Care Advocate given base increase (\$690k gross)
- Volunteer Income Tax Program at the Treasurer’s Office for CAPS (\$400K)
- Adult Day operating support continued (\$1.5m one-time)
- Creates separate appropriation for Justice Reinvestment in DOC so this \$9.9m can be tracked over time

#### **INVESTS IN COMMUNITIES (HOUSING, BROADBAND, ECONOMIC DEVELOPMENT & WORKFORCE):**

- Broadband - \$95m ARPA Capital Projects Fund, State Parks Connectivity - \$1.6M ARPA Capital Projects Fund
- Housing – VHCB \$50m (\$30m ARPA, \$10m GF contingent and \$10 in base), S.226 Safe & Affordable Housing provides \$20m for ‘missing middle’ and manufactured housing, S.210 provides \$20m VHIP rental unit update program
- Community, Workforce and Economic Development - \$137.8m including S.11 (Economic Development & Workforce)
- Childcare providers (\$4.9m), Children’s Integrated Services (\$900k) and Parent Child Centers (\$1.5m) base increases
- Regional first responder dispatch development (\$11m) with task force on fair funding options
- Conservation Districts allocated \$250k base in AAFM
- UVM (\$10m) and VSC (\$10m) base increases and VSC (\$14.9m ARPA) transition bridge plan
- Arts Council provides match (\$113k) to draw federal grant



**INVESTS IN TRANSFORMATIONAL CLIMATE & CLEAN WATER INITIATIVES:**

- Climate - \$215m including \$80m for weatherization, \$45m for H.518 Municipal Energy Resilience Grant program, \$8m for advanced metering infrastructure and over \$60m for other electrification initiatives
- Water - \$104m including \$23m for mobile home and low-income failed onsite water and wastewater, \$50m for municipal water and wastewater initiatives.

**FOCUSES ON STRONG FISCAL MANAGEMENT:**

- Pensions & OPEB (\$15m) FY23 transitional funding to pre-fund employee/teacher health care
- Retires Property Management deficit (\$5m) and OPR deficit (\$1.1m)
- Reduce State’s Worker Compensation fund deficit by 1/3 (\$2m)
- Allows \$20m early bond redemption, and \$5m to pay down property management balance
- Establishes and capitalizes the Capital Expenditure Cash Fund \$25m with contingent GF at FY22 yearend
- Establishes the IT Modernization Fund – capitalizes using contingent GF at FY22 yearend for DMV and VDOL UI
- Significantly reduces the VT Center for Crime Victims structural deficit (\$2.5m)
- Addresses Cannabis Board structural deficit (30% prevention dedication remains)
- Judicial security need funded with \$750k and effective utilization of state paid deputy sheriffs
- GF Reserves over required levels, totaling \$281m projected reserves balance
- Pay Act FY2023 is funded (\$26m GF)

**Fiscal Year 2022 Yearend – General Fund Contingent Allocations**

<b>C.102 - Amends Act 84 (BAA initial \$64.4m list)</b>	
Cannabis Regulation Fund	\$ 850,000
State Liability Self-Insurance Fund	\$ 1,700,000
Correctional Industries Internal Services Fund	\$ 1,900,000
Medicaid - redetermination timing impact	\$ 10,000,000
Property Management Fund	\$ 5,000,000
Redeem Callable Bonds	\$ 20,000,000
Childcare rentention (moved from ARPA)	\$ 6,000,000
Judiciary reopening and HVAC needs	\$ 9,600,000
VHCB - housing initiatives	\$ 10,000,000
Workers’ Compensation Fund	\$ 2,000,000
DCF - Emergency housing reserve	\$ 15,000,000
Technology Modernization Special Fund (DMV, UI)	\$ 50,250,000
Capital Expenditure Cash Fund	\$ 25,000,000
<b>Total</b>	<b>\$ 157,300,000</b>