

H. 542: FY 2020 House Budget Highlights – March 2019

(In millions)	FY 2018 Final	FY 2019 BAA +	1 Year Growth %	FY 2020 Gov. One-year Growth %	FY 2020 House Proposed Budget		
					Amount	One-year growth %	5 year growth %
General Fund	1563.7	1585.4	1.4%	3.3%	1646.5	3.9%*	3.2%
All State Funds	2187.1	2250.5	2.9%	3.0%	2319.8	3.1%	0.5%
	5811.7	5927.6	2.5%	3.1%	6083.2	2.6%	1.1%

*The GF growth rate in FY 2020 would be 2.6% without the increase due to Teachers Retirement Funding. This pressure will increase through 2038.

Overview:

- **Continues to focus on strengthening the State's fiscal position**

- Uses ongoing funds for ongoing expenditures, reducing pressure on FY 2021
- Continues to build the State's reserve funds. The General Fund Stabilization reserve, at 5%, is full; the Rainy Day Fund is brought from a projected \$15.9M to a projected \$19.4M (plus half of any FY19 surplus); the Caseload Reserve is projected at \$98.2M; and the 27/53rd reserve is prefunded through FY 2021 to \$18.1M
- Based on this budget proposal, FY2020 reserves in total are projected to be \$215M, or approximately 13.6% of the combined FY 2019 spending in the GF and State Health Care Resources Fund. In preparation for a recession, Vermont's projected need for reserves is between 12 and 18%
- Adds language requiring annual reporting on the condition of the State's infrastructure and the implications on unfunded liabilities

Key actions and funding for vulnerable Vermonters

- **Substance Use Disorders/Mental Health**

- Provides \$993K GF and \$1.16M FF for 12 new beds at the Brattleboro Retreat that are scheduled to come on line in the Spring of 2020
- Provides \$540K in additional funding for Community Rehabilitation and Treatment (CRT) to enable additional intensive support services for clients that can be provided through community programs
- Provides \$1.5M one-time funds for grants to develop of an electronic medical/health records system for the Designated Agencies
- Provides \$260K one-time funds to increase support for Recovery Centers

- **Aging and Disabilities**

- Provides \$994,000 GF and \$1,079,256 FF for a 2% rate increase for Home and Community based providers including Home Health Agencies, Adult Day Providers, Meals on Wheels, and TBI Waiver service providers

- **Economic Development, Housing, and Child Care**
 - Increases child care funding by \$7.96M in the first of a multi-year commitment to align with H.531, the Child Care Bill
 - Adds \$1M one-time funds for Parent-Child Center infrastructure improvements
 - Adds \$100K one-time funds for the VT Outdoor Recreation Economic Collaborative (VOREC). There is also \$100K in the base
 - Provides \$1M to level fund the Vermont Housing Conservation Board
 - Adds \$100K one-time funds for microbusiness loans
 - Uses one-time funds to increase Working Lands Program funding by \$1.5M
 - Adds \$50K one-time funds to support the Farm-to-School Program
- **Climate Commission Initiatives**
 - Funds Governor’s Climate Commission initiatives including
 - Adds \$250K collaboration with EVT to expand electrical efficiency services
 - Provides \$250K grant to non-profit for weatherization services for moderate income Vermonters
 - Provides \$350K for training to provide weatherization services in H.533
 - Extends agreement with Efficiency Vermont to support efficiency staff in BGS
 - Funds a \$1.5M electric vehicle incentive program and \$300K for electric vehicle charging stations around the State
 - Funds \$500K for electric vehicles and charging stations for State government
- **Higher Education**
 - Provides a \$3M increase to the base funding for the Vermont State Colleges
 - Adds \$500K one-time funds to the Vermont Student Assistance Corporation for Advancement grants (formerly Non-Degree grant Program)
 - Adds \$200K to VSC to design three or more Associates Degree Programs at a minimum of three technical centers
 - Increases funding for the Need Based Stipend for the Dual Enrollment Program by \$13K for total of \$85K
- **Other Bills**
 - **H.533 Commerce and Workforce Development:** Provides \$1.595 to include support marketing, relocation services for people moving to Vermont, grants to provide weatherization training, equipment for robotics training, and other workforce education and training funds
 - **H.513 Broadband Telecom Bill:** Provides \$1.540,000 to include support a loan reserve at VEDA to administer the Broadband Expansion Loan Program, grants through the Broadband Innovation Grant Program for feasibility studies in underserved areas, Connectivity Initiative grants, and Think Vermont Initiative technical assistance to municipalities planning broadband projects