



File

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Jim Reardon, Commissioner

MEMORANDUM

TO: Joint Fiscal Committee
FROM: Jim Reardon, Commissioner, Department of Finance & Management
DATE: August 7, 2009
RE: Response to Questions

During the July 16, 2009 Joint Fiscal Committee hearing, the Committee asked the Agency of Administration to respond to the following questions. This memorandum sets forth the questions and the Agency's response.

Question: What are the gender and length of service of the 102 reductions-in-force (RIFs) that occurred for the \$8,455,779 savings set forth in the Alternate Savings Plan?

Response: Attachment 1 sets forth the gender and length of service of the 102 RIFs.

Question: During the 2009 legislative session, the Department of Taxes provided information that demonstrated a ratio between the number of audit positions and expected revenue collected. How will the audit positions eliminated as part of the Alternate Savings Plan affect the collection of taxes?

Response: Attachment 2 is a memorandum from the Tax Department's Acting Commissioner Ellen H. Tofferi.

Question: How are Agency of Human Services (AHS) District Offices combined under the Alternate Savings Plan?

Response: Attachment 3 is a map of the AHS Field Directors provided by Secretary Hofmann. Secretary Hofmann also explained that the "Northeast Kingdom" is handled by the St. Johnsbury Field Director, Addison County is handled by the Rutland Field Director and Windsor County (which has two AHS districts) is handled by the Springfield Field Director. Please note that Secretary Hofmann provided this information directly to the Committee on July 20, 2009.



Question: What is the impact of the Alternate Savings Plan on Reach-up services?

Response: Department for Children and Families Commissioner, Steve Dale, provides the following response to your question regarding Reach-Up:

The reduction of Reach Up VDOL case managers was a decision that both had programmatic intention and fiscal savings. We have been working with VDOL to convert their role from case management to job development for participants. Case Management has never been particularly well-suited to their mission. So what we have done is reduce the total number of VDOL staff and to begin to transition the roles of the remaining staff to job developers. We have booked substantial savings for each of the reductions, but have also redirected some dollars per FTE to provide other ways of filling the lost capacity. Despite the loss of some case management capacity, we believe over the long run that this will make for a more effective Reach Up Program.

My understanding is that the people who lost Reach-Up roles were redeployed by VDOL related to ARRA money.

The Committee also asked the Department of Education two questions and the Department is providing its response directly to the Committee.

cc: Neale Lunderville, Secretary of Administration
Linda P. McIntire, Interim Commissioner Department of Human Resources

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Attachment 2

MEMORANDUM

TO: Linda McIntire, Commissioner
Department of Human Resources

FROM: Ellen H. Tofferi
Acting Commissioner

DATE: July 22, 2009

SUBJECT: Response to JFC inquiry

At the recent JFC meeting, Representative Ancel posed a question regarding the additional compliance positions created by the Legislature for Tax. As part of the discussion surrounding the creation of the positions, Tax had estimated the annual amount of additional revenue that would be generated by these new positions. Given the fact that Tax ultimately lost some audit positions in the reduction in force process, she asked if the estimated revenue had taken into account the loss of those positions or if the revenue estimate had been calculated based on prior staffing levels. If, in fact, the estimates had been calculated based on prior staffing levels, she asked how the reduction in positions would affect the revenue estimates provided to the Legislature.

The Department estimated how much revenue would be produced by the new positions. The loss of two audit positions during the reduction in force process does not affect that estimate. The Department routinely sets expectations regarding the number of audits to be performed annually, and we review those numbers monthly. We will closely monitor those numbers to ensure that there is no negative impact on audit activity. If it appears that activity may be diminishing, we will take action to supplement our audit staff in order to prevent any significant impact on our compliance efforts.

cc: Jim Reardon, Commissioner
Department of Finance & Management

Attachment 3

AHS Field Directors



