

MEMORANDUM

TO: Joint Fiscal Committee
FROM: Jim Reardon, Commissioner of Finance & Management
DATE: October 30, 2013
RE: Excess Receipts Report – 32 VSA Sec 511

In accordance with 32 VSA Sec 511, please find attached the report on Excess Receipts approved for expenditure during the first quarter of FY 2014 (7/1/2013 through 9/30/13). The full text of the governing statute is provided at the end of this memo.

Review Process

The Administration goes through an extensive application and approval process for allowing expenditure of excess receipts. The form required of departments can be found at: http://finance.vermont.gov/sites/finance/files/pdf/forms/budget/Excess_Receipts_Form.doc (at <http://finance.vermont.gov/forms> under the “Budget” category). The form requires information to ensure that the approval does not overstep statutory guidelines. Requests that overstep the statutory guidelines are denied, and/or where appropriate are held for the legislative budget process.

Departments are required to provide written answers to the following questions (although only the response to the first question is entered into the VISION database):

- Reason funds are available?
- Do you anticipate additional funds from the same source available in this fiscal year and above current appropriation?
- Is this increase one-time or at an ongoing level?
- Why were funds not fully budgeted during budget development?
 - What is the current year appropriation or grant amount approved by the Joint Fiscal Committee for this fiscal year, from this source of funds for this purpose?
- If these are ongoing funds, will funds from this source be fully budgeted and appropriated next fiscal year?
- Were excess receipts requested from this source in the preceding two fiscal years? If so, explain why they were not budgeted?
- Are these excess receipts being received from another department (i.e., interdepartmental transfers)? If so, are they appropriated in that department or will excess receipts be required there as well?



- Relationship, if any, to the Budget Adjustment Act?
- Can excess receipts be used to reduce the expenditure of State funds?
- **Will excess receipts establish or increase the scope of a program, committing the State at any time to expend State funds?** [The form notes that in such instances, legislative approval is required.]
- What specifically will excess receipts be used for? What is the impact on programs if this excess receipt request is not approved?
- Are any of the excess receipts to be used for your department's administrative, staff or operating expenses? If so, explain.
- Is there any matching fund requirement due to excess receipts? If so, where is the match found in your budget?
- If excess receipts are earned federal receipts, is excess receipt being spent in the same (federal) program where the excess receipts are earned? If not, explain.
- Has the excess receipt been received and deposited? If no, what date are funds expected?
- If approved, when will the expenditure of this excess receipt first occur?

The VISION entry normally includes only the response to the first question – why are additional receipts available? However, for any individual Excess Receipt Request, we can provide the full paper copy of the form, listing all the department's responses.

Broad Categories of Excess Receipt Requests

Requests for expenditure of excess receipts generally fall into several broad categories:

Interdepartmental Transfers: It is not uncommon for one State department (“Department A”) to purchase services from another State department (“Department B”). In that instance, Department A budgets these expenditures just as they would any other type of expenditure: by type of expenditure and by the source of revenue that will fund these expenditures. Department B also budgets these expenditures, and identifies the source of revenue as “interdepartmental transfers.” This process results in a small amount of “double-booking” of spending authority but ensures that both departments have the necessary spending authority. In many cases, at the time of budget development, Department A has not yet decided from where to purchase the services in question, so Department B does not budget the interdepartmental transfer revenues. When Department A moves forward to contract for services with Department B after the budget has closed, then Department B must request an Excess Receipts approval for the additional spending authority to perform the services.

Federal Funds: Departments estimate their likely federal receipts in the fall for the upcoming budget year, meaning the estimate is as much as nine-months old at the start of the budget year, and another 12 months older by the end of the budgeted fiscal year. As a result, more recent developments may mean that the budgeted federal spending authority is insufficient, either because the current federal award for an existing grant has been increased, or there is spending authority from grants from earlier federal fiscal years that can be used in the current year. Additionally, extraordinary events – such as the federal American Recovery and Reinvestment Act (ARRA) or federal aid to Vermont due to Tropical Storm Irene – may cause large – and unanticipated -- spikes in federal receipts.

Other: There are over 200 different special funds created under State law, in which are deposited fees, user charges, penalties, specified taxes, etc. Departments estimate how much they will collect each year for each of these special funds, and base their spending plans accordingly. However, for the same reasons noted above, the actual collections for these revenues may be higher than the original budget. Excess receipts may also be used in an instance where prior-year special fund spending authority was not utilized and needs to be created again in the subsequent year (similar to a carry-forward). It should be noted that in addition to the restrictions in the excess receipts statute, each special fund has its own statutory restrictions that prevent the funds being used for other than their intended purposes and programs.

Attached Report:

The attached report is a cumulative list of approved excess receipt requests for the current fiscal year. It includes ALL the data entered in VISION for that transaction, including:

- Agency/Department name
- Appropriation name and “DeptID”
- Transaction date
- Fund source – name and fund number
- Amount
- Comments in response to question: “Why are funds available?” (VISION allows for a limited number of characters per cell entry.)

The data are sorted into the three broad categories of requests discussed above.

Governing Statute:

32 V.S.A. § 511. EXCESS RECEIPTS

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 legislature. 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.

Attachment

FY 2014 Excess Receipts Report - Q1 Cumulative - Run 10-24-13

Agency/Dept Name	Appropriation Name	Appropriation Deptid	Date	Fund	Fund Name	Amount	Comments
VT EXCESS RECEIPT RPT	52						
Interdepartmental Transfer Excess Receipts							
Agency of Admin Sec Office	Secretary of Administration	1100020000	9/17/2013	21500	Inter-Unit Transfers Fund	300,000.00	Sec of Admin entered into MOU with DVHA for Health Care Exchange Grant. The FY12 balance of these funds was not fully expended in FY13.
Public Safety	DPS-Fire Safety	2140040000	9/13/2013	21500	Inter-Unit Transfers Fund	12,500.00	To fully leverage our Federal Funds it is necessary to pool the costs that can not be directly attributable to a specific grant. These funds will be recouped by use of our approved indirect rate.
Public Safety	DPS-Administration	2140060000	7/23/2013	21500	Inter-Unit Transfers Fund	600,000.00	MOU between DCF and VCCVS for Children's Justin Act Grant from U.S Dept of Health and Human Services. Grant number F1001VTCJAL.
Center of Crime Victims' Serv	Victims Compensation	2160010000	7/12/2013	21500	Inter-Unit Transfers Fund	21,979.38	Dog licensure fees
Agriculture, Food & Markets	Food Safety/Consumer Assurance	2200020000	8/5/2013	21500	Inter-Unit Transfers Fund	630.00	Funds available through an MOU with DVHA as part of funding for the SIM Grant project that the Green Mt Care Board is working on.
Green Mountain Care Board	Green Mountain Care Board	3330010000	8/30/2013	21500	Inter-Unit Transfers Fund	613,900.18	Funds available because of FEMA disaster assistance received in FY12 from VTTrans for the spring flood event & Tropical Storm Irene.
Forest, Parks & Recreation	Administration	6130010000	9/16/2013	21500	Inter-Unit Transfers Fund	500,000.00	Funds available for costs assoc with expenses for temp employee (Dan Peterson) who has dual employment with VTTrans and DPS. VTTrans will bill DPS via a TSF journal for the expenses incurred relating to his employment with DPS.
Agency of Transportation	Program Development	8100001100	7/16/2013	21500	Inter-Unit Transfers Fund	10,000.00	
Federal Funds (including "regular" ARRA) excess receipts:							
Buildings & Gen Serv-Capital	Vet's Home-HVAC Renovations	0820000200	7/26/2013	22005	Federal Revenue Fund	145,305.89	This request is to re-establish spending authority for the unspent balance as of June 30, 2013
Public Safety	DPS-State Police	2140010000	8/5/2013	22040	ARRA Federal Fund	206,000.00	ARRA Funds - Expenses to fully spend the ARRA funds that were awarded to DPS were not invoiced in SFY13. This ER request is being made to allow those expenses and to transfer some expenses to the correct appropriation.
Public Service Department	Regulation & Energy Efficiency	2240000000	9/13/2013	22040	ARRA Federal Fund	215,335.00	ARRA - Funds available from grants from US Dept of Commerce & Dept of Energy. Fund to be used for ongoing salary & benefits as well as OH and 3rd party contract.
Children and Family Services	DCFS - OEO Weatherization	3440110000	9/23/2013	22040	ARRA Federal Fund	206,768.00	ARRA - Carry forward Weatherization ARRA grant award
Education	Education Services	5100070000	9/12/2013	22040	ARRA Federal Fund	296,748.00	ARRA - School district grants
Special Fund excess receipts:							
Buildings & Gen Serv-Capital	BGS-Various Property Sales	0904300250	9/12/2013	21613	BGS-Sale of State Land	12,979.04	Re-establish spending authority as of 6/30/13.
Agency of Admin Sec Office	WC-Sarcoidosis Claims	1100130000	9/3/2013	21911	Sarcoidosis Benefit Trust Fund	2,500.00	A transfer from the General Fund is expected. Funds to be used for payment to a claimant.
Agency of Admin Sec Office	WC-Sarcoidosis Claims	1100130000	8/7/2013	21911	Sarcoidosis Benefit Trust Fund	337.20	A transfer from the General Fund are anticipated
Buildings & Gen Serv-Capital	BGS - Various Projects	1104000022	7/26/2013	21908	Misc Grants Fund	6,796,855.75	Re-Establish spending authority as of 6/30/13 for the unspent balance.
Libraries	Department of Libraries	1130030000	7/26/2013	21870	Misc Special Revenue	22,664.09	These funds per transferred from the VT Telecommunications Auth to Libraries for the purpose of bringing fiber connectivity to 43 public libraries and some 200 community anchor institutions.
Libraries	Department of Libraries	1130030000	7/26/2013	21883	Gates Foundation Grants	274,531.63	Opportunity Online Broadband Grant from Bill & Melinda Gates Foundation to provide funding for fiber broadband connectivity to 53 Public Libraries included in Vt Fiber Connect project.
Libraries	Department of Libraries	1130030000	7/26/2013	21908	Misc Grants Fund	81,823.47	These fund were rec'd as a grant from Google, Inc. to the Dept of Libraries for the purpose of establishing seven video conferencing sites in Public Libraries around the state.
Buildings & Gen Serv-Gov'tal	BGS- Recycling Efforts	1150060000	9/12/2013	21604	BGS-Recycling Efforts	30,000.00	Receipts have exceeded expenses
Buildings & Gen Serv-Gov'tal	BGS-Information Centers	1150400000	7/12/2013	21603	Molotist Aid Refreshment Prog	90,000.00	Funds paid by motorists at Info Centers by donation for coffee. Funds used for operating costs for the Info Centers.
Buildings & Gen Serv-Gov'tal	BGS-Information Centers	1150400000	7/12/2013	21822	ACCD Tourism & Marketing Broch	225,000.00	Vendors pay BGS to store and display their business brochures at teh State Info Centers. The amount charged is now part of the annual Fee bill request.

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Agency/Dept Name	Appropriation Name	Appropriation Debit	Date	Fund	Fund Name	Amount	Comments
VT EXCESS RECEIPT RPT	52						
Buildings & Gen Serv-Gov'tal	BGS-Information Centers	11504000000	9/6/2013	21870	Misc Special Revenue	25,000.00	To pay the transit company for curmutter bus service being used by Capitol Complex employees as part of a Pilot Project to encourage commuting for Montpelier employees.
State Treasurer-Gov'tal	Bond Issuance Costs	12601200000	8/23/2013	32101	TIB Proceeds Fund	297,537.90	Sale of 2013 Transportation Infrastructure Bonds, bond issuance costs
State's Attorneys and Sheriffs	State's Attorneys	21301000000	9/12/2013	21891	State's Att & Sheriff-Misc	55,018.00	Increase the position from Part-Time to Full-Time with benefits
Public Safety	DPS-State Police	21400100000	9/10/2013	21908	Misc Grants Fund	2,235.00	VSP received funding from the Commonwealth of Massachusetts.
Public Safety	DPS-Criminal Justice Services	21400200000	9/13/2013	21584	Surplus Property	13,400.00	From the sale of items at State Surplus.
Public Safety	DPS-Emergency Management	21400300000	9/13/2013	21584	Surplus Property	17,500.00	From the sale of items at State Surplus.
Agriculture, Food & Markets	Ag Development Division	22000300000	8/5/2013	21493	VT Working Lands Enterprise	1,026,080.46	Act 162 Sec B, 1106
Agriculture, Food & Markets	Large Animal Vet Loan Forgive	2200891301	8/30/2013	21992	Next Generation Initiative Fnd	2,215.19	Remainder of FY13 appropriation - Grant agreement exists obligating entire appropriation with \$2215.19 yet to be liquidated.
Financial Regulation	Securities Division	2210031000	9/6/2013	21906	Financial Services Education	40,000.00	College.
Public Service Department	Regulation & Energy Efficiency	2240000000	9/13/2013	21699	PSD - Billback & EEU pass thru	3,981,000.00	Funds to be used for much higher contractual and 3rd party services related to the Energy/Vermont Yankee case.
Liquor Control	DLC - Administration	2300003000	7/12/2013	21525	Conference Fees & Donations	5,525.05	Balance left in Conference Fees fund used for VT Teen Leadership Fund; account no longer in use.
Forest, Parks & Recreation	Administration	6130010000	7/16/2013	21525	Conference Fees & Donations	25,000.00	The receipts in 21525 are available from Project Learning Tree workshop fees and grants. The receipts in 21550 are available from license, special use permits, and timber sales.
Forest, Parks & Recreation	Administration	6130010000	7/16/2013	21550	Lands and Facilities Trust Fd	100,000.00	The receipts in 21550 are available from Project Learning Tree workshop fees and grants.
Forest, Parks & Recreation	Forestry	6130020000	7/16/2013	21525	Conference Fees & Donations	10,000.00	The receipts are available from Urban & Community Forestry workshop fees and misc grant and donations, including Arbor Day donations.
Forest, Parks & Recreation	Parks	6130030000	7/23/2013	21525	Conference Fees & Donations	68,000.00	A grant was received from teh Linnithac Foundation for expanding FPR capabilities to enhance public recreation opportunities. FPR received approval from the JFO (#2615) on 4/19/13 to spend the total grant award of \$68,000.
Forest, Parks & Recreation	VI Youth Conservation Corps	6130080000	8/14/2013	21779	FPR-Youth Conservation Corps	150,000.00	The receipts in fund 21779 are available because of a cash assistance MOA between VYCC and FPR. VYCC will reimburse FPR by the end of FY2014.
Forest, Parks & Recreation	VI Youth Conservation Corps	6130080000	8/14/2013	21779	FPR-Youth Conservation Corps	(150,000.00)	The receipts in fund 21779 are available because of a cash assistance MOA between VYCC and FPR. VYCC will reimburse FPR by the end of FY2014.
Forest, Parks & Recreation	VI Youth Conservation Corps	6130080000	8/14/2013	21779	FPR-Youth Conservation Corps	150,000.00	The receipts in fund 21779 are available because of a cash assistance MOA between VYCC and FPR. VYCC will reimburse FPR by the end of FY2014.
Housing & Comm Development	Housing & Community Affairs	7110010000	7/12/2013	21820	ACCD-Miscellaneous Receipts	1,965,482.00	Match from VHCB for Hazard Mitigation Grant Program (HMGP) property buyouts at a 25% level as a priority per the Administration
Housing & Comm Development	Housing & Community Affairs	7110010000	9/23/2013	21330	Municipal & Regional Planning	4,500.00	Encumbrance No. 3589 for Hinesburg Town Treasurer did not roll property at fiscal year end therefore requiring excess receipts.
Economic Development	Performance Grants 13	7120891301	8/1/2013	21992	Next Generation Initiative Fnd	125,000.00	Carry forward from FY 2013
Economic Development	STEM Incentive 13	7120891302	8/1/2013	21992	Next Generation Initiative Fnd	29,100.00	Carry forward from FY 2013
Agency of Transportation	Rail	8100023000	8/23/2013	20155	Transportation-FRA Fund	70,000.00	Funds are available for the Bi-State Intercity Rail Corridor Track 3 Planning project.
Agency of Transportation	Rail	8100023000	8/23/2013	20160	Transportation Local Fund	35,000.00	Funds are available for the Bi-State Intercity Rail Corridor Track 3 Planning project.
Agency of Transportation	Rail	8100023000	7/16/2013	20183	ARRA FRA Fund	1,496,375.00	ARRA Funds - Available for project - Amtrak Vermont - RR-FY11-AR02
Agency of Transportation	Town Highway Bridge	8100022800	9/26/2013	20180	ARRA FHWA Fund	36,422.92	Funds are available from Town Highway Bridge ARRA project - Montpelier BHF 6400(31)
Agency of Transportation	Public Assistance Program	8100005500	9/17/2013	21555	Emergency Relief & Assist Fd	135,000.00	FEMA disaster declaration FEMA-4120-DR-VT. ERAF funds provide state match for the FEMA funds.
AOJ Proprietary Funds	Central Garage	8110000200	7/23/2013	57100	Highway Garage Fund	443,342.42	Funds are the unexpended balance in equipment replacement account at the end of FY13. Funds will be used for equipment purchases per Title 19,Sec. 13(C).

