

MEMORANDUM

TO: Joint Fiscal Committee
FROM: Jim Reardon, Commissioner of Finance & Management
DATE: October 21, 2014
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 2015 (7/1/2014 through 9/30/14). 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 2015 Excess Receipts Report - Q1 Cumulative - Run 10-21-14

| VT_EXCESS_RECEIPT_RPT | | 68 | | | | | |
|--|--------------------------------|----------------------|------------|-------|---------------------------|----------------------|--|
| Agency/Dept Name | Appropriation Name | Appropriation Deptid | Date | Fund | Fund Name | Amount | Comments |
| Federal Funds (including "Regular" ARRA) Excess Receipts: | | | | | | | |
| Public Service Department | Regulation & Energy Efficiency | 224000000 | 7/24/2014 | 22040 | ARRA Federal Fund | 145,349.00 | ARRA - State Broadband Data and Development Grant Program continues through 12/31/14. |
| Public Service Board | Public Service Board | 225000000 | 8/8/2014 | 22040 | ARRA Federal Fund | 5,792.51 | Fund for prior year payables paid in FY15 |
| Green Mountain Care Board | Green Mountain Care Board | 333001000 | 7/31/2014 | 22005 | Federal Revenue Fund | 1,265,952.28 | Funds are available as a result of the Dept of Financial Regulation transferring the Federal Rate Review Grant to GMCB. AA1 approved during FY14 in March for the Race to the Top Early Learning Challenge grant. The grant has a term of four years. This ERR establishes spending authority for FY15. |
| Human Services Agency | Secretary's Office Admin Costs | 340000100 | 8/13/2014 | 22005 | Federal Revenue Fund | 2,907,000.00 | |
| Subtotal - Federal Funds, Including "Regular" ARRA: | | | | | | 4,324,093.79 | |
| Interdepartmental Transfers Excess Receipts: | | | | | | | |
| Buildings & Gen Serv-Prop | BGS-Fee For Space | 116055000 | 8/22/2014 | 21500 | Inter-Unit Transfers Fund | 6,468,339.35 | Funds available from FEMA transfers. |
| Buildings & Gen Serv-Prop | BGS-Fee For Space | 116055000 | 7/10/2014 | 21500 | Inter-Unit Transfers Fund | 1,258,166.85 | FEMA Transfers. |
| Executive Office | Governor's Office | 120001000 | 7/16/2014 | 21500 | Inter-Unit Transfers Fund | 461,915.00 | New Grant - Race to the Top Act 95 Sec. 79a: Funds moved to 21500 by AOE in prior fiscal year for |
| Joint Fiscal Office | Joint Fiscal Committee/Office | 122000000 | 10/17/2014 | 21500 | Inter-Unit Transfers Fund | 75,000.00 | paraprofessionals study Lake Champlain Bridge Programmatic Agreement Compliance with Sections III D(3) and III d(4). AOT funding made available for plaster repairs to the |
| Buildings & Gen Serv-Capital | ACCD Projects 51/6(a) | 130510061 | 7/24/2014 | 21500 | Inter-Unit Transfers Fund | 17,000.00 | Chimney Point Historic site. |
| Buildings & Gen Serv-Capital | BGS - Various Proj 14 | 140510023 | 9/25/2014 | 21500 | Inter-Unit Transfers Fund | 186,262.00 | Funds available thru Dept of Public Safety for the Hazard Mitigation Grant Program. Agreement 02140-34000-057. DOC has committed to help with the rollout of the Rapid Intervention |
| State's Attorneys and Sheriffs | State's Attorneys | 213010000 | 8/11/2014 | 21500 | Inter-Unit Transfers Fund | 60,000.00 | Community Court Expansion. |
| Public Safety | DPS-Criminal Justice Services | 214002000 | 10/7/2014 | 21500 | Inter-Unit Transfers Fund | 90,000.00 | DPS indirect rate being applied to federal and special funds |
| Agriculture, Food&Mrkts Agency | Ag Development Division | 220003000 | 10/14/2014 | 21500 | Inter-Unit Transfers Fund | 18,189.42 | VCF grant funds from VT Community Foundation and Water Wheel Fund |
| Education Agency | Education Services | 510007000 | 10/2/2014 | 21500 | Inter-Unit Transfers Fund | 1,481,445.00 | MOU from AHS Funds available from FEMA disaster assistance received in FY12 from VTrans for the spring flood event as well as tropical storm Irene and from FY14 for |
| Forests, Parks & Recreation | Administration | 613001000 | 7/31/2014 | 21500 | Inter-Unit Transfers Fund | 300,000.00 | flooding from 6/25/13-7/1/13. Funds available from DPS through the State Homeland Security Grant Program to purchase vehicles, communication equipment, safety gear, tools and equipment to prevent and respond to catastrophic events. |
| Forests, Parks & Recreation | Forestry | 613002000 | 8/11/2014 | 21500 | Inter-Unit Transfers Fund | 58,716.00 | |
| Forests, Parks & Recreation | Parks | 613003000 | 7/31/2014 | 21500 | Inter-Unit Transfers Fund | 267,953.35 | Funds available from MOU with F&W who will provide Boating Infrastructure Grant federal funding and Clean Vessel Act federal funding to FPR for the reconstruction of the outer marina at Burton Island State Park. Long rang Land Management Projects for reimb from VHCB have been defined and are being funded by VHCB along with completion of some old projects. |
| Forests, Parks & Recreation | Lands Administration | 613004000 | 8/11/2014 | 21500 | Inter-Unit Transfers Fund | 50,000.00 | |
| Transportation Agency | Maintenance & Ops Bureau | 810000200 | 7/16/2014 | 21500 | Inter-Unit Transfers Fund | 435,432.73 | Funds are available from Disaster: FEMA-4163-DR-VT. Funds will be received via MOU/Grant Agreement from the Division of Emergency Management and Homeland Security. |
| Transportation Agency | Department of Motor Vehicles | 810000210 | 8/11/2014 | 21500 | Inter-Unit Transfers Fund | 203,837.00 | Funds available through MOU's between VTrans and DPS for five 2014 Enforcement Grants. |
| Transportation Agency | Department of Motor Vehicles | 810000210 | 7/15/2014 | 21500 | Inter-Unit Transfers Fund | 74,603.00 | Funds are available from MOU between VTRANS and DPS for two 2014 Educational Grants. |
| Transportation Agency | Better Back Roads Program | 810000580 | 7/8/2014 | 21500 | Inter-Unit Transfers Fund | 60,000.00 | Backroads Program, specifically for the Ecosystem Restoration Program. |
| Subtotal - Interdepartmental Transfers: | | | | | | 11,566,859.70 | |

FY 2015 Excess Receipts Report - Q1 Cumulative - Run 10-21-14

| VT_EXCESS_RECEIPT_RPT | | 68 | | | | | |
|--------------------------------------|-------------------------------|----------------------|------------|-------|--------------------------------|--------------|---|
| Agency/Dept Name | Appropriation Name | Appropriation Deptid | Date | Fund | Fund Name | Amount | Comments |
| Special Fund Excess Receipts: | | | | | | | |
| Libraries | Department of Libraries | 1130030000 | 9/3/2014 | 21870 | Misc Special Revenue | 77,000.00 | Funds from Vermont Telecommunications Authority for the purpose of bringing fiber connectivity to 43 Public Libraries and some 200 other community anchor institutions. |
| Libraries | Department of Libraries | 1130030000 | 8/11/2014 | 21883 | Gates Foundation Grants | 43,752.60 | VT Fiber Connect Project |
| Buildings & Gen Serv-Gov'tal | BGS- Recycling Efforts | 1150060000 | 9/11/2014 | 21604 | BGS-Recycling Efforts | 30,000.00 | Funds collected from the disposition of recycling materials and to be used for recycling efforts statewide. |
| Buildings & Gen Serv-Gov'tal | BGS-Information Centers | 1150400000 | 8/13/2014 | 21603 | Motorist Aid Refreshment Prog | 180,000.00 | Funds paid by motorists at the Information Centers by donation for coffee. Funds authorized to offset the cost of coffee as well as for the costs associated with running the Information Centers. |
| Buildings & Gen Serv-Gov'tal | BGS-Information Centers | 1150400000 | 8/13/2014 | 21822 | ACCOTourism & Marketing Broch | 225,000.00 | Vendors pay BGS to store and display their business brochures at the State Information Centers. The amount charged is now part of the annual Fee bill request. |
| Buildings & Gen Serv-Gov'tal | BGS-Information Centers | 1150400000 | 8/27/2014 | 21870 | Misc Special Revenue | 85,000.00 | Funds to be used to pay the transit company(s) for commuter bus service being used by Capitol Complex Employees. |
| Buildings & Gen Serv-Capital | VT Expo major Maint 51/14(a) | 1305100141 | 10/16/2014 | 21682 | AF&M-Eastern States Building | 125,000.00 | Act 51, Sec 32 of 2013. Intent of the General Assembly that the Agency of Agriculture redirect the money to BGS for the VT Exposition Center building upgrades in Springfield, MA. |
| Attorney General's Office | Attorney General's Office | 2100001000 | 8/7/2014 | 21057 | Genetic. Engineered Food Label | 1,498,605.00 | Act 120 (H.112), Sec. 4 - (9 V.S.A. chapter 82A) An act relating to the labeling of food produced with genetic engineering (GEFL) |
| Attorney General's Office | Court Diversion | 2100002000 | 7/16/2014 | 21142 | Youth Substance Abuse Safety P | 59,614.00 | 18 V.S.A. 4230a(f) - Court Diversion Youth Substance Abuse Safety Program (YSASP) |
| Public Safety | DPS-State Police | 2140010000 | 9/4/2014 | 21141 | Drug Task Force | 135,000.00 | Funds available through Act 76 of 2013 Sec 2 for funding law enforcement officers on the Drug Task Force. |
| Public Safety | DPS-Emergency Management | 2140030000 | 9/16/2014 | 21555 | Emergency Relief & Assist Fd | 229,781.00 | FEMA declared disaster FEMA-4163-DR. AA-1 approved JFO# 2677. SFY15 initial approp was only loaded for 65K but VA must pay 85K of maintenance contract it has with VTC from the Cemetary Receipts Fund. |
| Military | MIL Vet Affairs Office | 2150050000 | 9/11/2014 | 21662 | Mil-Vets Cemetary Contribution | 20,000.00 | Funds available from the direct donation by vermont taxpayers through their state tax forms. |
| Military | MIL Vet Affairs Office | 2150050000 | 9/15/2014 | 21924 | Vermont Veterans Fund | 47,534.00 | |
| Agriculture, Food&Mrkts Agency | Ag Development Division | 2200030000 | 10/14/2014 | 21889 | Risk Manage Ag Producers | 13,616.21 | VCF grant funds from VT Community Foundation and Water Wheel Fund |
| Agriculture, Food&Mrkts Agency | Plant Industry, Labs & CA Div | 2200040000 | 8/20/2014 | 21667 | AF&M-Laboratory Testing | 64,675.36 | Funds available from AF&M lab testing fees and Ag fees from Certificate of Free Sale received on an on-going basis. To be used to cover property maint fees. |
| Agriculture, Food&Mrkts Agency | Plant Industry, Labs & CA Div | 2200040000 | 8/20/2014 | 21671 | AF&M-Agricultural Fees | 67,813.94 | Funds available from AF&M lab testing fees and Ag fees from Certificate of Free Sale received on an on-going basis. To be used to cover property maint fees. |
| Financial Regulation | Securities Division | 2210031000 | 8/22/2014 | 21906 | Financial Services Education | 50,000.00 | Per 9 VSA 5601(d) and (e). Donations from financial services entities. |
| Enhanced 911 Board | Enhanced 911 Board | 2260001000 | 7/29/2014 | 21711 | Enhanced 9-1-1 Board | 35,491.98 | Funds are received from the PSD Universal Service Fund charted to telecom consumers. |
| Liquor Control | DLC - Administration | 2300003000 | 10/16/2014 | 21525 | Conference Fees & Donations | 5,000.00 | To change fund per 10/16/14 email from H. Campbell. Additional funding for Liquor Symposium from three more sources. |
| Liquor Control | DLC - Administration | 2300003000 | 10/16/2014 | 21525 | Conference Fees & Donations | 4,000.00 | To change fund per 10/16/14 email from H. Campbell. Additional funding for Liquor Symposium from three more sources. |
| Liquor Control | DLC - Administration | 2300003000 | 10/16/2014 | 21525 | Conference Fees & Donations | 1,000.00 | To change fund per 10/16/14 email from H. Campbell. Additional funding for Liquor Symposium from three more sources. |
| Liquor Control | DLC - Administration | 2300003000 | 10/16/2014 | 21870 | Misc Special Revenue | (5,000.00) | To change fund per 10/16/14 email from H. Campbell. Additional funding for Liquor Symposium from three more sources. |
| Liquor Control | DLC - Administration | 2300003000 | 10/16/2014 | 21870 | Misc Special Revenue | (4,000.00) | To change fund per 10/16/14 email from H. Campbell. Additional funding for Liquor Symposium from three more sources. |

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|---------------------------------|-------------------------------|----------------------|------------|-------|--------------------------------|----------------------|---|
| Agency/Dept Name | Appropriation Name | Appropriation Deptid | Date | Fund | Fund Name | Amount | Comments |
| | | | | | | | To change fund per 10/16/14 email from H. Campbell. Additional funding for |
| Liquor Control | DLC - Administration | 2300003000 | 10/16/2014 | 21870 | Misc Special Revenue | (1,000.00) | Liquor Symposium from three more sources. |
| Liquor Control | DLC - Administration | 2300003000 | 9/11/2014 | 21870 | Misc Special Revenue | 5,000.00 | Additional funding for Liquor Symposium from three more sources. |
| Liquor Control | DLC - Administration | 2300003000 | 9/11/2014 | 21870 | Misc Special Revenue | 4,000.00 | Additional funding for Liquor Symposium from three more sources. |
| Liquor Control | DLC - Administration | 2300003000 | 9/11/2014 | 21870 | Misc Special Revenue | 1,000.00 | Additional funding for Liquor Symposium from three more sources. |
| Offender Work Program | Admin - VT Offender Work Prog | 3675001000 | 8/20/2014 | 21584 | Surplus Property | 7,301.64 | Funds received from surplus property for items sold at auction. |
| Education Agency | Administration | 5100010000 | 10/16/2014 | 21245 | Post Secondary Certification | 25,000.00 | Receipts collected for Post Secondary reviews. |
| Education Agency | Education Services | 5100070000 | 10/14/2014 | 21245 | Post Secondary Certification | (25,000.00) | Receipts collected for Post Secondary reviews. |
| Education Agency | Education Services | 5100070000 | 10/14/2014 | 21245 | Post Secondary Certification | 25,000.00 | Receipts collected for Post Secondary reviews. |
| | | | | | | | \$8000 - Urban & Community Forestry workshop fees and misc grants and donations, including Arbor Day donations. |
| Forests, Parks & Recreation | Administration | 6130010000 | 8/11/2014 | 21525 | Conference Fees & Donations | 12,000.00 | \$12000 - Project Learning Tree workshop fees and grants. |
| Forests, Parks & Recreation | Administration | 6130010000 | 7/31/2014 | 21550 | Lands and Facilities Trust Fd | 150,000.00 | Funds available from license, special use permit, and timber sales. |
| | | | | | | | \$8000 - Urban & Community Forestry workshop fees and misc grants and donations, including Arbor Day donations. |
| Forests, Parks & Recreation | Forestry | 6130020000 | 8/11/2014 | 21525 | Conference Fees & Donations | 8,000.00 | \$12000 - Project Learning Tree workshop fees and grants. |
| Forests, Parks & Recreation | Parks | 6130030000 | 7/31/2014 | 21525 | Conference Fees & Donations | 27,253.28 | Grant from Lintilhac Foundation to expand and enhance public recreation opportunities provided by FPR. |
| Forests, Parks & Recreation | Vt Youth Conservation Corps | 6130080000 | 10/8/2014 | 21779 | FPR-Youth Conservation Corps | 300,000.00 | Cash assistance MOA between VYCC and FPR. VYCC will reimburse FPR by the end of FY 2015 |
| Forests, Parks & Recreation | Vt Youth Conservation Corps | 6130080000 | 8/11/2014 | 21779 | FPR-Youth Conservation Corps | 150,000.00 | Cash assistance MOA between VYCC and FPR. VYCC will reimburse FPR by the end of FY15. |
| Economic Development | STEM Incentive 14 | 7120891402 | 8/7/2014 | 21992 | Next Generation Initiative Fnd | 98,100.00 | Carry Forward from FY2014 |
| Transportation Agency | Aviation | 8100000200 | 9/2/2014 | 20160 | Transportation Local Fund | 118,216.00 | Funds are available for four Aviation projects that have a local share that will be paid by Casella. |
| Transportation Agency | Aviation | 8100000200 | 7/15/2014 | 20181 | ARRA FAA-Fund | 100.00 | Funds are available from Aviation ARRA funded projects. |
| | | | | | | | Funds are available from Emergency Events VT 11-1, Apr 23-May 30, 2011 severe storms and flooding and VT 11-2, Aug 27, 2011 Tropical Storm Irene. |
| Transportation Agency | Maintenance & Ops Bureau | 8100002000 | 8/11/2014 | 20135 | Transportation FHWA Fund | 2,000,000.00 | Funds are available from grant agreement #2010-DL-T0-0006 with Homeland Security/FEMA. |
| Transportation Agency | Department of Motor Vehicles | 8100002100 | 8/20/2014 | 20165 | Transportation Other Fed Funds | 832,500.00 | Funds are available for the Bi-State Intercity Rail Corridor Track 3 planning project. |
| Transportation Agency | Rail | 8100002300 | 7/31/2014 | 20155 | Transportation-FRA Fund | 124,150.00 | Funds are available for the Bi-State Intercity Rail Corridor Track 3 planning project. |
| Transportation Agency | Rail | 8100002300 | 7/31/2014 | 20160 | Transportation Local Fund | 62,075.00 | Funds are available for project - Amtrak Vermonter - RR-FY11-AR02. |
| Transportation Agency | Rail | 8100002300 | 9/2/2014 | 20183 | ARRA FRA Fund | 15,000.00 | Funds are the unexpended balance in the equipment replacement account at the end of FY14. Funds to be used for equip purchases per Title 19.Sec. |
| Transportation Agency-Prop | Central Garage | 8110000200 | 7/31/2014 | 57100 | Highway Garage Fund | 558,426.83 | 13(c). |
| Subtotal - Special Funds | | | | | | 7,486,006.84 | |
| TOTAL: | | | | | | 23,376,960.33 | |