



**GENERAL ASSEMBLY**  
**STATE OF VERMONT**  
LEGISLATIVE JOINT FISCAL COMMITTEE

Wednesday, April 8, 2015

Minutes

Members present: Representatives Ancel, Branagan, Johnson, Lippert, and Sharpe, and Senators Ashe, Ayer, Kitchel, Sears, and Snelling.

Other Attendees: Administration, Joint Fiscal Office, and Legislative Council staff, and various media, lobbyists, advocacy groups.

The Chair, Senator Kitchel, called the meeting to order at 12:15 p.m.

A. Grant consideration of JFO #2748

Allyson Richards, Deputy Chief of Staff, Governor's Office, and James Reardon, Commissioner, Department of Finance and Management, distributed information and summarized the grant. Ms. Richards explained the grant was for four years of direct prekindergarten services with 95% of the funds sent directly to communities for full day prekindergarten for 4 year olds of families that were 200% of federal poverty level (fpl). Senator Ayer asked what wraparound services would be included. Ms. Richards explained that the grant allowed for the filling of gaps not covered by existing health coverage.

Senator Snelling inquired what the State match would be for the grant. Ms. Richards explained that the accounting of current funds used within the prekindergarten system would be used as the State match and no new State funds would be needed. Representative Ancel asked how subgrantees would adhere to the sustainability plan requirement if they were able to join or drop off the program at will. Ms. Richards stated that there was a strong evaluation requirement to develop a plan on sustainability. She informed the Committee that there was a fiscal analyst within the Agency of Education paid for through the grant for the first three years to assist communities.

Senator Kitchel showed concern for the possible fiscal impacts to the Education Fund or the community at the end of the grant funding. Ms. Richards explained it was critical for communities to use the upfront grant money to purchase equipment needed and then work on blending local and State programs with their existing prekindergarten program to reduce the fiscal impact. Representative Ancel echoed Senator Kitchel's concern for future fiscal impacts to the education and general funds. Commissioner Reardon stated he held the same reservations, but reminded the Committee that the State required the communities to demonstrate ability to sustain prekindergarten programs past the four years of the grant funding.

Senator Sears showed concern for the possible legal ramifications from Brigham if certain groups of children were intentionally not served because of a lack of funding. Commissioner

Reardon stated the sustainability plan was important in determining the fiscal stability and longevity of individual community programs. He then clarified that the first 10 hours of prekindergarten were paid by the State under current law [Act 166] and that the grant would become bridge money for those communities that wished to increase its program or that needed start-up funds to meet the State law deadline of 2017.

Senator Kitchel asked that it be made clear to communities that anything above the initial 10 hours of prekindergarten services would be paid by the local communities. Commissioner Reardon further stated that the program was voluntary. Senator Sears opined that the Brigham Decision would mandate that a school district would have to follow the “All In or All Out” clause of the Vermont Supreme Court’s definition of what equal educational opportunities must include. Ms. Richards explained she did not see it as an issue because currently under Act 166, communities have already offered services to only partial groups of children according to what was affordable to them.

Senator Kitchel reiterated the Committee’s concerns with the prekindergarten grant. She listed fiscal, policy, and legal implications as important discussions and decisions in the process of considering the grant. Representative Sharpe inquired if Head Start centers were opting out of the grant program. Ms. Richards responded that all seven Head Start programs in Vermont were participating in the grant program through either contracting with Supervisory Districts or Unions, or becoming subgrantees themselves. Currently, all of the head start centers had elected to become subgrantees to provide increased services within existing classrooms.

Each Committee member stated individually that he or she would not put a hold on the grant. As a note, the grant deadline for the 30-day hold rule ended on April 19, 2015. The Committee reiterated its concerns and reservations to the Administration.

B. Act179 Adjustment Authority for Combined Waiver and Independent Direct Care Expenditures

Stephanie Barrett, Associate Fiscal Officer, Joint Fiscal Office, distributed information and explained the reason for the action required by the Committee. In responding to Senator Snelling, Ms. Barrett explained that the approval of the Committee would simply align the funding sources for the merger that was approved in January 2015 for the two demonstration waivers.

Senator Ashe made the following motion:

To approve the net-neutral adjustments to Fiscal Year 2015 appropriations as presented, and to recommend inclusion in the current budget bill language that allows the necessary net-neutral adjustments in July 2015 for Fiscal Year 2106.

Representative Ancel seconded the motion, and the Committee approved it.

The Committee adjourned at 1:10 p.m. on a motion from Senator Ashe that was seconded by Representative Johnson.

Respectfully Submitted,

Theresa Utton-Jerman, Legislative Joint Fiscal Office